

TREATMENT OF COMMONWEALTH PAYMENTS IN THE 2016 UPDATE

BACKGROUND

- 1 The Commission has been guided to treat Commonwealth payments on the basis of equalisation principles. In the 2015 Review, it adopted a single guideline to decide the treatment of all payments on a case by case basis:

payments which support State services, and for which expenditure needs are assessed, will impact the relativities.
- 2 Assessed expenditure needs are differences among the States that affect the cost of delivering services. In some cases, on conceptual grounds, we consider that there are no differences in per capita service delivery costs and assess expenditure equal per capita. Spending reflects population shares alone (a deliberative equal per capita assessment). Where such an assessment is made, related payments would affect the GST distribution. However, where needs have not been assessed because they are not material, or because we have been unable to assess them, these are not a deliberative equal per capita assessment and any associated payments should not affect the GST distribution.
- 3 Adopting the guideline and applying it on a case by case basis to Commonwealth payments therefore results in some payments having an impact on the relativities and others not. The decision is made purely on the basis of whether the payment is available to support State services and whether needs have been assessed. The size of payments should not influence the treatment of a payment.

TERMS OF REFERENCE REQUIREMENTS

- 4 The terms of reference provide guidance to the Commission on the treatment of Commonwealth payments. They ask the Commission:
 - to ensure that some specified payments (usually referred to as quarantined payments), including all reward payments, have no impact on the Goods and Services Tax (GST) distribution
 - to treat national specific purpose payments (SPPs), national health reform funding, national partnership project payments and general revenue assistance (GRA), other than the GST, so that they would affect GST shares, but treat national partnership facilitation payments so that they would not.

However, the Commission is given discretion to vary the treatment of the second group of payments where it is appropriate, reflecting the nature of the payment and the role of State governments in providing services.

- 5 These instructions, which are consistent with the Intergovernmental Agreement on Federal Financial Relations (as amended) (IGA), make it clear that where it has discretion, the Commission should exercise that discretion in deciding if and how payments should affect the GST distribution.
- 6 The terms of reference require the Commission to treat some payments so they have no direct impact on the relativities. They include payments nominated in previous terms of reference. We have treated them as not impacting on the relativities.
- 7 Payments quarantined by the 2016 Update terms of reference are:
 - National partnership payments for Northern Territory Remote Aboriginal investment
 - payments relating to the National Partnership for Western Australia infrastructure projects
 - payments relating to the Royal Victorian Eye and Ear Hospital Redevelopment.
- 8 Payments quarantined by previous terms of reference relevant to this update are:
 - Assistance for Tasmania to implement national policy reforms
 - Assisting preparation towards the launch of the National disability insurance scheme
 - Caring for our Country
 - Centenary of Canberra 2013 — A gift to the national capital
 - Closing the Gap and Stronger Futures in the Northern Territory
 - Health care grants for the Torres Strait
 - Improving health services in Tasmania
 - National Health Reform funding – reward payments components
 - Pilot of drought reform measures in Western Australia
 - Royal Darwin Hospital – equipped, prepared and ready
 - Sinking fund on State debt
 - South Australian River Murray Sustainability Programme
 - Tasmanian Forests Intergovernmental Agreement
 - Victorian cytology service.
- 9 The 2014 Update terms of reference asked the Commission to treat the forgiveness of South Australian housing debt on 30 June 2013 not directly influence the relativities. We have continued treating the debt forgone as not impacting the relativities.

- 10 The supplementary terms of reference for the 2015 Review required the Commission to treat 50% of the following payments for major roads as having no impact on relativities. We have treated them accordingly.
 - \$1.5 billion for WestConnex
 - \$3 billion for the East-West link
 - \$2.9 billion for the Western Sydney Infrastructure plan
 - \$0.6 billion for the Toowoomba Second Range Crossing
 - \$0.9 billion for the Perth Freight Link/Roe Highway
 - \$0.4 billion for the North-South Road Corridor
 - \$0.1 billion for the Northern Territory Roads Package
 - payments under the \$5 billion Asset Recycling Initiative.
- 11 The 2015 Review supplementary terms of reference also asked that States' drawdowns from DisabilityCare Australia Fund during the transition phase for the National Disability Insurance Scheme (from 2015-16) not impacting the relativities. We will treat them accordingly when they are paid.

BACKCASTING

- 12 If there are major changes in the Commonwealth-State financial relations between the historical years used in the Commission's assessments and in the year the recommended relativities would be applied, we 'backcast' the new arrangements, unless the terms of reference direct us not to do so or it cannot be done reliably.
- 13 Under the backcasting process, State revenues and expenses in the historical years are adjusted to what they would have been if the new financial arrangements had been in place at that time. This improves contemporaneity of the relativities. Backcasting is only done when the application year changes are reliably known and data needed for calculating the backcast amounts are reliable.
- 14 The 2011 Intergovernmental Agreement on Federal Financial Arrangements (IGA 2011) noted that the distribution of the Schools, Skills and workforce development and Affordable housing SPPs would be equal per capita (EPC) in 2014-15. The National Health Reform base funding and the Disability SPP moved to an equal per capita (EPC) distribution in 2013-14.
- 15 Since then, there have been further changes in funding arrangements for health and education that result in the distribution of these payments moving away from EPC.
- 16 In this update, we have applied backcasting to the following payments:
 - National Skills and workforce development, Affordable Housing, Disability SPPs — we have distributed these payment based on population shares.

- National health reform (NHR) funding — we have used the 2015 Review backcast figures for 2012-13 and 2013-14. For 2014-15, we have used the 2014-15 distribution published in the Commonwealth’s Final Budget Outcome adjusted for cross border services¹.
 - National education reform funding for government schools — we have used the 2016-17 distribution of Students First funding for government schools for all assessment years to reflect changed funding arrangements and the expense assessment approach.
- 17 We do not consider any new payments commencing in 2015-16 and 2016-17 published in the *Federal Financial Relations, Budget Paper No. 3, 2015-16* require backcasting. They are not made as a result of major changes in Commonwealth-State financial arrangements. Treatment of these new payments will be considered when they appear in the data in the assessment period.

TREATMENT OF PAYMENTS MADE IN 2012-13 TO 2014-15

- 18 Table 1 provides a summary of the treatment accorded each payment. Payments where treatments are prescribed by the terms of reference are marked with an asterisk.
- 19 Table 2 to Table 3 show details of payments made in 2012-13 to 2014-15 and the Commission’s decision on the treatment of each payment.
- 20 The treatment of the following payments has changed since the 2015 Review.
- Remote Indigenous housing – treatment for 2013-14 onward has changed from ‘impact’ to 75% impact and 25% no impact. We exclude 25% of the payment to recognise that part of the funding is being used to overcome differences among the States in the levels of remote Indigenous housing stock provided by the Commonwealth.
 - Building Australia Fund payments to the ACT for Majura Parkway – treatment has changed from ‘impact’ to 50% impact and 50% no impact because the Majura Parkway is now classified as a national network road.

¹ The terms of reference require that the NHR funding and corresponding expenditure relating to the provision of cross-border services to the residents of other States should be allocated to States on the basis of residence.

Table 1 Summary of treatment of Commonwealth payments

Payment	Year of payments			Treatment
	12-13	13-14	14-15	
GENERAL RVENUE ASSISTANCE				
GST payments	x	x	x	Pool for relativities
ACT municipal services	x	x	x	No impact on relativities
Reduced royalties	x	x	x	Mining revenue
Royalties	x	x	x	Mining revenue
Snowy Hydro Ltd – company tax compensation	x	x	x	Other revenue
HEALTH				
National health reform funding	x	x	x	Impact on relativities
National partnership payments				
National Health Reform				
Public hospital system – additional funding		x		Impact on relativities
Financial assistance for long stay older patients	x	x		Impact on relativities
Improving public hospital services				
Flexible funding for emergency departments, elective surgery and subacute care	x	x		Impact on relativities
National emergency access target*				
– capital funding	x	x		Impact on relativities
– facilitation and/or reward funding	x	x	x	Reward – no impact; Other – impact
National elective surgery target*				
– capital funding		x		Impact on relativities
– facilitation and/or reward funding		x	x	Reward – no impact; Other – impact
New subacute beds guarantee funding	x	x		Impact on relativities
Health infrastructure				
Health and hospital fund				
Hospital infrastructure and other projects of national significance	x	x	x	Impact on relativities
National cancer system	x	x	x	Impact on relativities
Regional priority round	x	x	x	Impact on relativities
Bright Hospital – feasibility study			x	Impact on relativities
Cancer Support Clinic in Katherine			x	Impact on relativities
Construction of Palmerston Hospital			x	Impact on relativities
Oncology Day Treatment Centre at Frankston Hospital			x	Impact on relativities
Other Health infrastructure projects	x			Impact on relativities
Redevelopment of the Royal Victorian Eye and Ear Hospital*			x	No impact on relativities
Upgrade of Ballina Hospital			x	Impact on relativities
Upgrade of the Casino and District Memorial Hospital			x	Impact on relativities
Warrnambool Integrated Cancer Care Centre			x	Impact on relativities
Health services				
BreastScreen Australia radiography workforce initiatives	x			Impact on relativities
Canberra Hospital – dedicated paediatric emergency care			x	Impact on relativities
Early intervention pilot program	x			No impact on relativities
Expansion of the BreastScreen Australia program		x	x	Impact on relativities
Health care grants for the Torres Strait*	x	x	x	No impact on relativities

* Treatment prescribed by the terms of reference.

Payments made through the States.

Payments (full or partial) made direct to local governments.

Table 1 Summary of treatment of Commonwealth payments (continued)

Payment	Year of payments			Treatment
	12-13	13-14	14-15	
Hummingbird House			x	50% Impact
Improving health services in Tasmania*				
Better access to community based palliative care services	x	x	x	No impact on relativities
Cradle Coast connected care clinical repository	x			No impact on relativities
Improving patient pathways through clinical and system redesign		x	x	No impact on relativities
Innovative flexible funding for mental health	x	x	x	No impact on relativities
Reducing elective surgery waiting lists in Tasmania	x	x	x	No impact on relativities
Walk-in centres in Hobart and Launceston	x			No impact on relativities
National antimicrobial utilisation surveillance program	x	x		No impact on relativities
National bowel cancer screening	x	x	x	Impact on relativities
National perinatal depression initiative	x	x	x	Impact on relativities
Northern Territory medical school – funding contribution	x	x		Impact on relativities
OzFoodNet	x	x	x	Impact on relativities
Royal Darwin Hospital – equipped, prepared and ready*	x	x	x	No impact on relativities
Torres Strait health protection strategy – mosquito control	x	x	x	Impact on relativities
Vaccine-preventable diseases surveillance	x	x	x	Impact on relativities
Victorian cytology service*	x	x	x	No impact on relativities
Indigenous health				
Closing the Gap in the Northern Territory – Indigenous health and related services*	x			No impact on relativities
Health services – Sexual assault counselling in remote Northern Territory areas	x			Impact on relativities
Improving ear health services for Indigenous children	x	x		Impact on relativities
Improving trachoma control services for Indigenous Australians	x	x	x	Impact on relativities
Indigenous early childhood development – antenatal and reproductive health	x	x	x	Impact on relativities
Reducing acute rheumatic heart fever among Indigenous children	x	x	x	Impact on relativities
Renal dialysis services in Central Australia	x	x	x	Impact on relativities
Renal infrastructure in the Northern Territory			x	Impact on relativities
Stronger futures in the Northern Territory*				
Hearing health services	x	x	x	No impact on relativities
Mobile Outreach Service Plus	x	x	x	No impact on relativities
Oral health services	x	x	x	No impact on relativities
Torres Strait health protection strategy – Saibai Island Health Clinic	x	x		Impact on relativities
Mental health				
Supporting National Mental Health Reform	x	x	x	Impact on relativities
Preventive health				
Enabling infrastructure	x			Impact on relativities
Healthy children and workers*	x	x		Reward – no impact; Others – impact

* Treatment prescribed by the terms of reference.

Payments made through the States.

Payments (full or partial) made direct to local governments.

Table 1 Summary of treatment of Commonwealth payments (continued)

Payment	Year of payments			Treatment
	12-13	13-14	14-15	
Healthy communities##	x	x		No impact on relativities
Social marketing	x			Impact on relativities
Other				
East Kimberley development package – health related projects				
Environmental health, aged care facilities	x			No impact on relativities
Other	x			Impact on relativities
Essential vaccines (vaccine purchase)	x	x	x	No impact on relativities
Hospital and health workforce reform – activity based funding	x			Impact on relativities
National coronial information system	x	x	x	No impact on relativities
Treating more public dental patients	x	x	x	Impact on relativities
EDUCATION				
National schools SPP – Government	x	x	x	Impact on relativities
Student first funding – Government — this funding includes the following NPPs:		x	x	Impact on relativities
Rewards for great teachers*	x			Government except reward – impact; Non-govt# – no impact
Smarter schools – Low socio-economic status school communities	x	x		Impact on relativities
National schools SPP – Non-government#	x	x	x	No impact on relativities
Student first funding – Non-government#		x	x	No impact on relativities
National partnership payments				
Digital education revolution	x			Government – impact; Non-govt# – no impact
Early childhood education – universal access to early education#	x	x	x	Impact on relativities
East Kimberley development package – education related payments	x			Impact on relativities
Helping our kids understand finances – professional learning and MoneySmart schools, MoneySmart teaching	x	x	x	Impact on relativities
Improving literacy and numeracy*	x	x		Government except reward – impact; Non-govt# – no impact
Independent Public Schools		x	x	Impact on relativities
Indigenous early childhood development – children and family centres	x	x		Impact on relativities
More support for students with disabilities	x	x	x	No impact on relativities
National quality agenda for early childhood education and care	x	x	x	Impact on relativities
National school chaplaincy programme			x	Impact on relativities
National solar schools program	x	x		Government – impact; Non-govt# – no impact

* Treatment prescribed by the terms of reference.

Payments made through the States.

Payments (full or partial) made direct to local governments.

Table 1 Summary of treatment of Commonwealth payments (continued)

Payment	Year of payments			Treatment
	12-13	13-14	14-15	
School pathways program	x	x	x	No impact on relativities
Secure schools program	x	x		No impact on relativities
Smarter schools				
Improving teacher quality*	x	x		Government except reward – impact; Non-govt# – no impact
Stronger futures in the Northern Territory*				
Building a quality school workforce				
Additional teachers	x	x	x	No impact on relativities
Quality teaching	x	x	x	No impact on relativities
Teacher housing		x		No impact on relativities
Expansion of the school enrolment and attendance measure	x	x		No impact on relativities
Trade training centres in schools	x	x	x	Government – impact; Non-govt# – no impact
SKILLS AND WORKFORCE DEVELOPMENT SERVICES				
National skills and workforce development SPP	x	x	x	Impact on relativities
National partnership payments				
Building Australia’s future workforce				
Skills reform	x	x	x	Impact on relativities
Training places for single and teen parents	x	x		Impact on relativities
Commonwealth/State and Territory joint group training	x	x	x	Impact on relativities
Education Investment Fund	x			No impact on relativities
Industry and Indigenous skills centre	x	x	x	No impact on relativities
TAFE fee waivers for childcare qualifications	x	x	x	No impact on relativities
Youth attainment and transitions				
Maximising engagement, attainment and successful transitions	x	x		Impact on relativities
Year 12 attainment and transitions*		x		Reward – no impact; Other – impact
COMMUNITY SERVICES				
National disability SPP	x	x	x	Impact on relativities
Changed roles and responsibilities – adjustment to achieve budget neutrality	x	x	x	Exclude the payment, include State payment to Commonwealth for notional costs of delivery services to younger people
National partnership payments				
Transitioning responsibilities for aged care and disability services				
Basic community care maintenance and support services	x			No impact on relativities
Specialist disability services	x	x	x	No Impact on relativities
Aged care assessment	x			No impact on relativities
Assisting preparation towards the launch of the National disability insurance scheme*	x	x	x	No Impact on relativities

* Treatment prescribed by the terms of reference.

Payments made through the States.

Payments (full or partial) made direct to local governments.

Table 1 Summary of treatment of Commonwealth payments (continued)

Payment	Year of payments			Treatment
	12-13	13-14	14-15	
Certain concessions for pensioner and senior card holders				
Certain concessions for pensioners	x	x		Impact on relativities
National reciprocal transport concessions	x	x		Impact on relativities
Home and community care		x	x	No impact on relativities
Home and community care – services for veterans	x	x		No impact on relativities
Municipal and essential services		x	x	No impact on relativities
National Occasional Care Programme			x	No impact on relativities
Pay equity for the social and community services sector		x	x	Impact on relativities
Social and community services – Queensland pay equity regulation – back pay	x			No impact on relativities
Stronger futures in the Northern Territory*				
Alice Springs transformation plan	x	x		No impact on relativities
Child, youth, family and community wellbeing	x	x	x	No impact on relativities
Community safety and justice	x	x		No impact on relativities
Municipal and essential services	x	x		No impact on relativities
Remote engagement and coordination	x	x		No impact on relativities
Tackling alcohol abuse	x	x		No impact on relativities
Trial of My Way sites*			x	No impact on relativities
AFFORDABLE HOUSING				
National affordable housing SPP	x	x	x	Impact on relativities
National partnership payments				
Building better regional cities##	x	x		No impact on relativities
First home owners boost#	x	x	x	No impact on relativities
Homelessness	x	x	x	Impact on relativities
Nation building and jobs plan – social housing		x		Impact on relativities
Remote Indigenous housing	x	x	x	2012-13 – no impact; 2013-14 and 2014-15 – 75% impact
Stronger futures in the Northern Territory* – Housing	x	x	x	No impact on relativities
INFRASTRUCTURE				
National partnership payments				
Abt Railway	x			Impact on relativities
Bathurst 200 Commemorative Flagstaff##			x	No impact on relativities
Centenary of Canberra 2013 – a gift to the national capital*			x	No impact on relativities
Community infrastructure grants – Glenbrook precinct upgrade	x	x		No impact on relativities
East Kimberley development package				
– payments to States	x			Impact on relativities
– payments to local governments##	x			No impact on relativities
Interstate road transport	x	x	x	Motor tax revenue
Latrobe Valley economic diversification##		x	x	States – impact; Local – no impact
Liveable cities/communities##	x	x		States – impact; Local – no impact
Local Government and Regional Development – Infrastructure employment projects##	x	x		States – impact; Local – no impact

* Treatment prescribed by the terms of reference.

Payments made through the States.

Payments (full or partial) made direct to local governments.

Table 1 Summary of treatment of Commonwealth payments (continued)

Payment	Year of payments			Treatment
	12-13	13-14	14-15	
Infrastructure investment program (Nation Building program in 2012-13)				
Black spot projects	x	x	x	Impact on relativities
Heavy vehicle safety and productivity	x	x	x	Impact on relativities
Improving local roads*	x			No impact on relativities
Improving the national network	x	x	x	Non-national network roads – impact; National network roads (NNR) – 50% impact
Investment				
Rail	x	x	x	Non-national rail network – impact; National rail network – 50% impact
Road	x	x	x	Non-NNR – Impact; NNR – 50% impact
Off-network projects##				
Rail	x	x		States – impact; Local – no impact
Road	x	x	x	States – impact; Local – no impact
Supplementary	x	x	x	States – impact; Local – no impact
Roads to recovery*,##	x	x	x	No impact on relativities
Infrastructure Growth Package				
Asset Recycling Fund				
Asset Recycling Initiative*			x	No impact on relativities
New Investments*				
– Road			x	State non-NNR – impact; State NNR and roads identified in terms of reference – 50% impact; Local – no impact
– Black spot projects			x	Impact on relativities
– Roads to recovery*,##			x	No impact on relativities
Western Sydney Infrastructure plan*			x	50% impact

* Treatment prescribed by the terms of reference.

Payments made through the States.

Payments (full or partial) made direct to local governments.

Table 1 Summary of treatment of Commonwealth payments (continued)

Payment	Year of payments			Treatment
	12-13	13-14	14-15	
Managed motorways	x	x	x	Impact on relativities
Murray-Darling Basin regional economic diversification program		x	x	Impact on relativities
Nation building plan for the future				
Building Australia Fund				
Rail	x	x	x	Non-national rail network – impact; National rail network – 50% impact
Road*	x	x	x	Non-NNR – impact; NNR and roads identified in terms of reference – 50% no impact
Major cities				
Rail	x			Non-national rail network – impact; National rail network – 50% impact
National transport regulator reforms				
National heavy vehicle regulator	x			No impact on relativities
National rail safety regulator	x			No impact on relativities
Parliament House Walk	x			No impact on relativities
Regional Infrastructure Fund Streams 1 and 2 – (includes payment for national network roads (NNR) in some years)	x			Non-NNR – impact; NNR – 50% impact
Upgrade of Parramatta Stadium	x			Impact on relativities
Western Australia infrastructure projects*			x	No impact on relativities

* Treatment prescribed by the terms of reference.

Payments made through the States.

Payments (full or partial) made direct to local governments.

Table 1 Summary of treatment of Commonwealth payments (continued)

Payment	Year of payments			Treatment
	12-13	13-14	14-15	
ENVIRONMENT				
National partnership payments				
Assistance for water infrastructure and pest management in drought-affected areas		x	x	No impact on relativities
Assistance to farm businesses for water-related infrastructure		x	x	No impact on relativities
Bushfire mitigation			x	Impact on relativities
Caring for our Country*	x			No impact on relativities
Coal seam gas and large coal mining development	x	x		Impact on relativities
Environment management of former Rum Jungle mine site	x	x	x	No impact on relativities
Great Artesian Basin sustainability initiative	x	x	x	Impact on relativities
Implementation of the National Insurance Affordability Initiative			x	No impact on relativities
Implementing water reform in the Murray-Darling basin	x	x	x	No impact on relativities
Natural disaster recovery and rebuilding – donation to Queensland flood appeal#	x			No impact on relativities
Natural disaster resilience#	x	x	x	No impact on relativities
Northern Australia sustainable futures	x			Impact on relativities
Pest and disease preparedness and response programs				
Animal and plant pest disease eradication*	x	x	x	No Impact on relativities
Exotic disease preparedness	x	x		No Impact on relativities
South Australian River Murray Sustainability Program*				
Irrigation efficiency and water purchase		x	x	No impact on relativities
Irrigation industry assistance		x	x	No impact on relativities
Regional economic development		x	x	No impact on relativities
Sustainable Australia – sustainable regional development###	x	x	x	No impact on relativities
Tasmanian Forest Intergovernmental Agreement				
Implementation of the Intergovernmental Agreement*	x	x		No Impact on relativities
Economic diversification projects*	x			No Impact on relativities
Water for the future				
National urban water and desalination plan###	x	x	x	States – impact; Local – no impact
National water security plan for cities and towns###	x	x	x	States – impact; Local – no impact
Sustainable rural water use and infrastructure###	x	x	x	States – impact; Local – no impact
Tasmanian wilderness world heritage area			x	No Impact on relativities
Water reform – Constraint measures			x	No Impact on relativities
Whale and dolphin entanglements			x	No Impact on relativities

* Treatment prescribed by the terms of reference.

Payments made through the States.

Payments (full or partial) made direct to local governments.

Table 1 Summary of treatment of Commonwealth payments (continued)

Payment	Year of payments			Treatment
	12-13	13-14	14-15	
CONTINGENT PAYMENTS				
Hepatitis C settlement fund	x	x	x	No impact on relativities
Natural disaster relief and recovery arrangements	x	x	x	No impact on relativities
OTHER STATE SERVICES				
National partnership payments				
2014 G20 leaders' summit security		x	x	No impact on relativities
2018 Gold Coast Commonwealth Games		x		No impact on relativities
Assistance to Tasmania to implement national policy reforms*		x		No impact on relativities
Australian Capital Territory emergency services	x	x		No impact on relativities
Centenary of Canberra 2013 – joint national program	x	x		No impact on relativities
Developing demand-driver infrastructure for the tourism industry			x	Impact on relativities
Digital regions initiative#	x			States – impact; Local and third party – no impact
Financial assistance grants to local government				
General purpose assistance#	x	x	x	No impact on relativities
Untied local roads grants#	x	x	x	No impact on relativities
Supplementary road funding to South Australia for local roads#	x	x		No impact on relativities
Indigenous Communications – Internet Access and Training	x	x	x	Impact on relativities
Legal assistance services	x	x	x	No impact on relativities
Local Government and Regional Development – Local government reform fund	x			Impact on relativities
Pilot of drought reform measures in Western Australia*	x	x		No impact on relativities
Port Arthur Penitentiary restoration			x	Impact on relativities
Provision of fire services	x	x	x	No impact on relativities
Seamless national economy*	x	x		No impact on relativities
Sinking fund on State debt*	x	x	x	No impact on relativities
Victorian local hospital networks	x			Impact on relativities
*	Treatment prescribed by the terms of reference.			
#	Payments made through the States.			
##	Payments (full or partial) made direct to local governments			

Table 1 Summary of treatment of Commonwealth payments (continued)

Payment	Year of payments			Treatment
	12-13	13-14	14-15	
Commonwealth own-purpose expenses payments to States				
Highly specialised drugs	x	x	x	No impact on relativities
Indigenous health and substance abuse	x	x	x	Impact on relativities
Indigenous advance strategy				
Jobs, land and economy			x	No impact on relativities
Children schooling			x	Impact on relativities
Safety and wellbeing			x	Impact on relativities
Culture and capability			x	No impact on relativities
Remote Australia strategies			x	Municipal and essential services – no impact; others – impact
Other Indigenous programs				
Culture support	x	x		No impact on relativities
Justice	x	x		Impact on relativities
Northern Territory Aboriginal interpreter services	x	x		No impact on relativities
Family violence partnerships	x	x		Impact on relativities
Remote Indigenous energy program	x	x		No impact on relativities
Army Aboriginal community assistance	x	x		No impact on relativities
Municipal and essential services	x	x		No impact on relativities
Housing and infrastructure projects	x	x		Impact on relativities
Breaking the cycle of alcohol and drug abuse in Indigenous communities	x	x		Impact on relativities
Combatting Petrol Sniffing Strategy	x	x		No impact on relativities
Indigenous Leadership	x	x		No impact on relativities
Indigenous Women's Grants	x	x		No impact on relativities
Indigenous Community Strategic Investment	x	x		No impact on relativities
Indigenous Remote Service Delivery	x	x		Impact on relativities
Community Development Employment Project (CDEP)	x	x		No impact on relativities
National Job Creation Package (Municipal and Essential Services)	x	x		No impact on relativities
Public Awareness	x	x		No impact on relativities
Other COPEs paid to States	x	x	x	No impact on relativities
Commonwealth own-purpose expenses payments to non-government organisations				
	x	x	x	No impact on relativities

* Treatment prescribed by the terms of reference.

Payments made through the States.

Payments (full or partial) made direct to local governments.

Source: Commonwealth of Australia *Final Budget Outcome* and information collected from Commonwealth agencies.

Table 2 Payments listed in the Commonwealth's final budget outcome

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
GENERAL REVENUE ASSISTANCE				
GST Payments		2012-13 to 2014-15	Pool for relativities	
ACT municipal services	Payments to assist the ACT to meet the additional municipal costs which arise from Canberra's role as the national capital, and to compensate the ACT for additional costs resulting from the national capital planning influences on the provision of water and sewerage services.	2012-13 to 2014-15	No impact	Needs not assessed
Reduced royalties	Payment to Western Australia for the loss of shared offshore petroleum royalty revenue resulting from imposing the crude oil excise on condensate. This arises because crude oil excise payments are a deductible expense for calculating the offshore petroleum royalty.	2012-13 to 2014-15	Mining revenue and assessed APC	
Royalties	Includes the transfer of two-thirds of the Commonwealth Government's petroleum royalties from North West Shelf Project to Western Australia; and payment to the Northern Territory in lieu of uranium royalties.	2012-13 to 2014-15	Mining revenue and assessed APC	
Snowy Hydro Ltd – company tax compensation	To compensate Victoria and New South Wales for company tax payments by Snowy Hydro Ltd.	2012-13 to 2014-15	Other revenue and assessed EPC	
HEALTH				
National health reform funding	This funding replaces the National Healthcare SPP. The majority of the Commonwealth funding for public hospital services is provided as activity based funding, based on an efficient price for hospital services determined by the Independent Hospital Pricing Authority. The funding also includes an explicit component for public health.	2012-13 to 2014-15	Impact	
National Partnership Payments				
National Health Reform				
Supporting National Health Reform Arrangements – Public hospital system – additional funding	Funding to offset downward adjustments in National Health Reform funding during 2013-14. This funding will increase certainty to Local Hospital Networks from these within-year adjustments.	2013-14	Impact	

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Improving public hospital services (IPHS) – Flexible funding for emergency departments, elective surgery and subacute care	Funding to increase hospital capacity and improve services to patients through a flexible funding pool. The funding pool gives the States additional capacity to respond to capital and recurrent cost needs in the public hospital system in relation to emergency departments, elective surgery and subacute care.	2012-13 to 2013-14	Impact	
IPHS – National emergency access target*	<p>Funding to reduce the time taken to treat, admit or discharge patients in public hospital emergency departments as part of a reform to introduce a four hour national emergency access target for emergency department treatment.</p> <p>Capital funding — funding for the expansion of emergency departments and associated facilities.</p> <p>Facilitation funding — funding to achieve the national emergency access target.</p> <p>Reward funding — funding to reward jurisdictions based on their achievement against the national emergency access target as assessed by the COAG Reform Council.</p>	2012-13 to 2014-15	Capital and facilitation funding — impact; Reward payment — no impact	Reward payment — no impact as required by terms of reference
IPHS – National elective surgery target*	<p>Funding to ensure elective surgery patients are seen within clinically recommended times.</p> <p>Capital funding — funding for the expansion of elective surgery facilities to ensure that, by the end of 2016, 100% of public hospital elective surgery patients in all urgent categories are treated within the clinically recommended times.</p> <p>Facilitation funding — funding to achieve the national elective surgery targets.</p> <p>Reward funding — funding to reward jurisdictions based on their achievement against the national target as assessed by the COAG Reform Council.</p>	2013-14 to 2014-15	Capital and facilitation funding — impact; Reward payment — no impact	Reward payment — no impact as required by terms of reference
IPHS – New subacute beds guarantee funding	Funding for over 1 300 additional beds for subacute services. The States will deliver an agreed number of new subacute beds or equivalent services each year in public hospitals or in community settings. Funding will provide beds and services for palliative care, rehabilitation, psychogeriatric care, geriatric evaluation and management, and subacute mental health care.	2012-13 to 2013-14	Impact	

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Financial assistance for long stay older patients	Funding over three years to care for people aged 65 or over in public hospitals, who have finished acute and post-acute care and are waiting for a Commonwealth aged care placement.	2012-13 to 2013-14	Impact	
Health infrastructure				
Health and Hospitals Fund (HHF) — Hospital infrastructure and other projects of national significance	Funding to expand and modernise key public hospitals across Australia to improve hospital care.	2012-13 to 2014-15	Impact	
HHF — National cancer system	Funding to support infrastructure to deliver a world class cancer care system in Australia.	2012-13 to 2014-15	Impact	
HHF — Regional priority round	The Commonwealth is delivering the \$1.8 billion commitment to Health and Hospitals Fund investment in Regional Australia. Regional Priority funding will improve access to essential health services for Australians living in rural, regional and remote areas. The Commonwealth will also work in partnership with the States to expand and modernise key health infrastructure, including hospitals, across Australia.	2012-13 to 2014-15	Impact	
Bright Hospital — feasibility study	Payment to Victoria for the study which will examine the feasibility of redeveloping the Bright Hospital.	2014-15	Impact	
Redevelopment of the Royal Victorian Eye and Ear Hospital*	Payment to Victoria for the completion of the development of the Royal Victorian Eye and Ear Hospital.	2014-15	No impact	Terms of reference requirement

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Other Health infrastructure projects	Funding for the following infrastructure projects: <ul style="list-style-type: none"> – PET scanners for Royal Hobart Hospital – Westmead Hospital, Sydney – Children's cancer centre, Adelaide – Cairns Base Hospital chemotherapy cancer initiative – Cairns integrated cancer centre – Women's and Children's Hospital in Hobart – Grafton Hospital – Radiation oncology services in north/north-west Tasmania – Cancer Support Clinic in Katherine – Construction of Palmerston Hospital – Oncology Day Treatment Centre at Frankston Hospital – Upgrade of Ballina Hospital – Upgrade of Casino and District Memorial Hospital – Warrnambool Integrated Cancer Care Centre 	2012-13 and 2014-15	Impact	
Health services (HS)				
HS — Early intervention pilot program	<p>Funding under the National Binge Drinking Strategy. The program is implemented by the New South Wales Police Force based on their existing Your Choice model. It provides early intervention and diversion programs for people under 18 who are at risk of developing alcohol-related problems.</p> <p>Funding was made directly from the Commonwealth Department of Health and Ageing (DoHA) to individual States, other than New South Wales. In 2010-11, a National partnership payment was introduced for New South Wales because they were late in signing up to the program.</p>	2012-13	No impact	We would usually treat the payments to all States as impacting on relativities. We could bring these payments in for all States. However, because they are relatively small, it is simpler to treat the payment to New South Wales as having no impact on relativities.
HS — National antimicrobial utilisation surveillance program (NAUSP)	The NAUSP collects, analyses and reports on the inpatient antimicrobial usage data in Australian hospitals to support the development of strategies to minimise antimicrobial resistance. Since its inception in 2004 the program has been fully funded by the Commonwealth DoHA directly from its own discretionary funds on a contract basis with SA Health. In 2010-11 NAUSP was introduced to replace the funding provided directly by DoHA.	2012-13 to 2013-14	No impact	Commonwealth purchase — needs not assessed

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
HS — Improving health services in Tasmania*	To address pressures on the Tasmanian health system and improve healthcare outcomes for Tasmanians. Includes the following components: <ul style="list-style-type: none"> – Better access to community based palliative care services – Cradle Coast connected care clinical repository – Improving patient pathways through clinical and system redesign – Innovative flexible funding for mental health – Reducing elective surgery waiting list – Walk-in centres in Hobart and Launceston. 	2012-13 to 2014-15	No impact	Terms of reference requirement
HS — Hummingbird House	Payment to Queensland for the construction and operation of a dedicated respite and hospice care facility for children with life-limiting conditions, and their families and carers. Queensland Kids (trading as Hummingbird House) is a not-for-profit organisation.	2014-15	50% impact	A split treatment is adopted because the Commission is unsure of the extent this payment would relieve the State or the private sector of responsibilities.
HS — Other health services	Consists of payments for: <ul style="list-style-type: none"> – BreastScreen Australia radiography workforce initiatives – Expansion of the BreastScreen Australia program – Healthcare grants for the Torres Strait* – Northern Territory medical school – funding contribution – National bowel cancer screening program – National perinatal depression initiative – OzFoodNet – Royal Darwin Hospital – equipped, prepared and ready* – Torres Strait Islander health protection strategy – mosquito control – Vaccine-preventable diseases surveillance – Victorian cytology service* – Canberra hospital – dedicated paediatric emergency care 	2012-13 to 2014-15	Healthcare grants for the Torres Strait, Royal Darwin Hospital – equipped, prepared and ready and Victorian cytology services – no impact. Others – impact	No impact for Healthcare grants for the Torres Strait, Royal Darwin Hospital – equipped, prepared and ready and Victorian cytology services as required by terms of reference.
Indigenous health (IH)				
IH — Closing the Gap in the NT — Indigenous health and related services*	Funding to improve access to effective primary health care services in partnership with the NT Government, Aboriginal Medical Services Alliance NT, and through consultation with other key stakeholders.	2012-13	No impact	Terms of reference requirement

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
IH — Stronger futures in the Northern Territory — health components*	<p>Payments include:</p> <ul style="list-style-type: none"> – Hearing health services — for integrated hearing health services with the capacity to reach children in remote communities in the NT. – Mobile Outreach service plus — to ensure Aboriginal children and their families living in remote areas of the NT who are affected by trauma associated with child abuse and neglect are provided with counselling and support. – Oral health services — for integrated oral health programs for Aboriginal children in communities in the NT. 	2012-13 to 2014-15	No impact	Terms of reference requirement
IH — Health services — sexual assault counselling in remote NT areas	Funding as part of the Mobile Outreach Service Plus. This program provides culturally safe counselling and other support to Aboriginal children and their families and communities in remote areas of the NT, who are experiencing trauma related to any form of child abuse, including sexual assault.	2012-13	Impact	
IH — Improving ear health services for Indigenous children	Funding to support the delivery of additional surgical services, clinical leadership programs and ear health services for some States.	2012-13 to 2013-14	Impact	
IH — Improving trachoma control services for Indigenous Australians	<p>Funding for the continued expansion of trachoma control activities in jurisdictions where trachoma, an infectious disease which can lead to blindness, is endemic.</p> <p>Funding is also being provided to jurisdictions where trachoma has been funded previously, to determine whether full trachoma control programs are required for those jurisdictions.</p>	2012-13 to 2014-15	Impact	
IH — Indigenous early childhood development — antenatal and reproductive health	Funding to improve antenatal care, teenage sexual and reproductive health, and pre-pregnancy care, as well as building linkages with existing child and maternal health programs to increase the uptake of these services.	2012-13 to 2014-15	Impact	
IH — Reducing acute rheumatic heart fever among Indigenous children	Funding to support register and control programs for acute rheumatic fever and rheumatic heart disease in Indigenous children.	2012-13 to 2014-15	Impact	
IH — Renal dialysis services in Central Australia	To contribute to the delivery of renal dialysis and support service in Central Australia to improve access to renal services to Indigenous Australians.	2012-13 to 2014-15	Impact	

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
IH — Renal infrastructure in the Northern Territory	One-off payment to the Northern Territory for the construction of accommodation facilities and renal infrastructure. The funding will be forwarded in full by the Territory to the Western Desert Nganampa Walytja Palyantjaku Tjutaku Aboriginal Corporation.	2014-15	Impact	
IH — Torres Strait health protection strategy — Saibai Island health clinic	Funding to provide additional staff for the treatment of communicable diseases at the health care clinic on Saibai Island, and development and implementation of a culturally appropriate sexual health education campaign for people in the Torres Strait.	2012-13 to 2013-14	Impact	
Mental health (MH)				
MH — Supporting national mental health reform	Funding to deliver improved health, social, economic and housing outcome for people with severe and persistent mental illness by addressing service gaps and preventing ongoing cycling through State mental health systems.	2012-13 to 2014-15	Impact	
Preventative health (PH)				
PH — Enabling infrastructure	Funding is provided for State based surveillance activities covering nutrition and physical activity measures consistent with national protocols.	2012-13	Impact	
PH — Healthy children and workers*	Facilitation funding for children under 16 to increase levels of physical activity and improve the intake of fruit and vegetables in settings such as child centres, preschools and schools. Funding to support workplace health programs that focus on decreasing rates of overweightness and obesity, increasing levels of physical activity and intake of fruit and vegetables, smoking cessation and reducing harmful levels of alcohol consumption. Reward funding will be provided upon the achievement of agreed performance benchmarks.	2012-13 to 2013-14	Reward payments — no impact; Others — impact	Reward payment — no impact as required by terms of reference
PH — healthy communities##	Payment direct to local governments to support 92 local areas nationally for community based healthy life-style programs to improve physical activity and healthy eating and healthy weight activities for people not in the workforce in socially and economically disadvantaged areas, as well as those looking for employment and carers.	2012-13 to 2013-14	No impact	Local government — needs not assessed
PH — Social marketing	Funding to develop social marketing campaigns that extend and complement the Australian Better Health Initiative and reinforce local activities on preventive health.	2012-13	Impact	

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Other Health National partnership payments				
East Kimberley development package – health related projects	Funding for health infrastructure projects. Priorities under the package include primary and preventive health care, drug and alcohol services, short term patient accommodation, housing for health service providers, improvements to remote clinics, aged care facilities and environmental health measures.	2012-13	No impact	Commonwealth purchase — needs not assessed
Essential vaccines (vaccine purchase)	Funding for the purchase of essential vaccines, which have not yet transitioned to centralised purchasing arrangements, for eligible individuals under the National Immunisation Program. Reward funding will be provided to the States for achieving performance benchmarks that maintain or increase vaccine coverage amongst Indigenous Australians and four year olds as well as in low coverage areas, and maintain or decrease vaccine wastage and leakage.	2012-13 to 2014-15	No impact	Commonwealth purchase — needs not assessed
Hospital and health workforce reform — activity based funding	Funding to support the implementation of activity based funding for Australia's public hospital system, enhance health workforce capability and supply, increase the volume and quality of subacute care services, and improve the operations of emergency departments.	2012-13	Impact	
National coronial information system	Funding to support the ongoing administration, maintenance and improvement of Australia's national database of coronial data.	2012-13 to 2014-15	No impact	Commonwealth purchase — needs not assessed
Treating more public dental patients	Funding to assist in the treatment of up to 400 000 people on public dental waiting lists, with a particular focus on Indigenous patients, high risk patients and those from rural areas.	2012-13 to 2014-15	Impact	
EDUCATION				
National Schools SPP	Funding to support government and non-government schools education. The SPP finished in December 2013 and has been replaced by the Students First program from January 2014. The payment in 2014-15 reflects revisions to some States' entitlements from the 2013-14 financial year.	2012-13 to 2014-15	Government – impact; Non-government# – no impact	Non-government schools — States act as an intermediary and needs are not assessed

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Students First funding	Students First funding replaced the National Schools SPP and various schools-related NPPs (Rewards for great teachers, Smarter schools – low socio-economic status school communities, Empowering local schools) from January 2014. It includes recurrent funding for government and non-government schools, capital funding and special circumstances funding for non-government schools and funding for non-government representative bodies.	2013-14 to 2014-15	Government – impact; Non-government# – no impact	Non-government schools – States act as an intermediary and needs are not assessed
	Rewards for great teachers* – Funding to support education authorities to align their current approaches to performance management with the Australian Teacher Performance and Development Framework and enable the payment of bonuses to teachers who achieve certification at the highest levels of standards. Ceased on 31 December 2013 and was redirected to Students First funding.	2012-13	Government except reward payments – impact; Non-government# – no impact	Non-government schools – States act as an intermediary and needs are not assessed; reward payments – terms of reference requirement
	Smarter schools – low socio-economic status school communities – Funding to improve education outcomes in low socio economic status (SES) communities. The NP contributes to COAG's social inclusion and Indigenous disadvantage agendas through the identification of reforms and models of service delivery that achieve improved educational outcomes for low SES school communities. Ceased on 31 December 2013 and was redirected to Student First funding.	2012-13 to 2013-14	Government – impact; Non-government# – no impact	Non-government schools – States act as an intermediary and needs are not assessed
National Partnership Payments				
Stronger futures in the Northern Territory – education components*	Payments include: – Building a quality school workforce – supports urgent improvement of schooling outcomes to Indigenous children and comprises three components: additional teachers, quality teaching and teacher housing. – Expansion of the school enrolment and attendance measure – to use the income support payment system as a way to connect schools and families where children are not enrolled in or attending school.	2012-13 to 2014-15	No impact	Terms of reference requirement

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Digital Education Revolution	Funding to prepare students for education, training and to live and work in a digital world. The National Secondary School Computer Fund (NSSCF) and associated on-costs are the major funding elements under the NP. The NSSCF helps schools to provide new computers and other information and communication technology (ICT) equipment for students in Years 9 to 12, and necessary infrastructure to support the installation and maintenance of the additional ICT.	2012-13	Government – impact; Non-government# – no impact	Non-government schools – States act as an intermediary and needs are not assessed
Early childhood education – universal access to early education#	Funding with the objective that children have access to affordable, quality early childhood education in the year before formal schooling, with a focus on Indigenous communities. This program is delivered by degree-qualified early childhood teachers for at least 600 hours a year.	2012-13 to 2014-15	Impact	
East Kimberley development package – education related payments	Payment for education and training infrastructure projects. Priorities include early childhood development, primary and secondary schooling, post-secondary education and training, and community meeting facilities in remote locations.	2012-13	Impact	
Helping our kids understand finances – professional learning MoneySmartSchool MoneySmart teaching	Funding to support the delivery of face-to-face professional learning to teachers in primary and secondary schools and the development of teacher support materials, to improve financial literacy in schools.	2012-13 to 2014-15	Impact	
Improving literacy and numeracy*	Funding to improve literacy and numeracy, with a priority focus on primary-aged students at risk of falling behind, including Indigenous students and students from disadvantaged backgrounds. The NP aims to sustain the momentum of the NP on Smarter Schools – Literacy and Numeracy, which concluded in December 2012.	2012-13 to 2013-14	Government except reward payments – impact; Non-government# – no impact	Non-government schools – States act as an intermediary and needs are not assessed; Reward payments – terms of reference requirement
Independent public schools	Funding to support increased autonomy in around 1 500 government schools, including through greater engagement of parents and local communities in school decision making and the provision of professional development for principals, school leaders and school communities.	2013-14 to 2014-15	Impact	

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Indigenous early childhood development — education — children and family centres	Funding to reduce the gap in development between Indigenous and non-Indigenous children by improving access to early childhood education. Includes the establishment of 38 children and family centres across Australia by 2014, which will deliver integrated services, including early learning, children and family support programs.	2012-13 to 2013-14	Impact	
More support for students with disabilities	Provision of targeted assistance to teachers and schools to support students with disabilities.	2012-13 to 2014-15	No impact	Needs not assessed
National quality agenda for early childhood education and care	Funding to deliver an integrated and unified national regulatory system for early childhood education and care, and reduce the regulatory burden on service providers.	2012-13 to 2014-15	Impact	
National school chaplaincy programme	Funding to assist approximately 2 900 schools engage the services of a school chaplain, who provides pastoral care services in these schools.	2014-15	Impact	
National solar schools program	Payment to install solar and other renewable power systems, solar hot water systems, rainwater tanks and a range of energy efficiency measures in schools.	2012-13 to 2013-14	Government — impact; Non-government# — no impact	Non-government schools — States act as an intermediary and needs are not assessed
School pathways program	Payment to South Australia and Western Australia with a focus on providing a career path for young people wanting to enter the defence industry.	2012-13 to 2014-15	No impact	Commonwealth purchase — needs not assessed
Secure schools program	To assist government and non-government schools at-risk of social, religious or ethnically motivated crimes to meet their particular security needs by providing security-related infrastructure such as fencing, lighting and CCTV.	2012-13 to 2013-14	No impact	Needs not assessed
Smarter schools - Improving teacher quality*	To facilitate and reward ambitious, national significant and sustainable reforms to attract, train, place, develop and retain quality teachers and leaders in schools. These reforms provide a platform for raising student performance and support other school reforms targeting low SES school communities and literacy and numeracy outcomes.	2012-13 to 2013-14	Government except reward payments — impact; Non-government# — no impact	Non-government schools — States act as an intermediary and needs are not assessed; reward payments — terms of reference requirement

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Trade training centres in schools	Funding for the provision of facilities to enhance vocational education opportunities for students in years 9 to 12 in every school. Funds are available for major capital works, upgrade or refurbishment of existing facilities and/or industry standard equipment.	2012-13 to 2014-15	Government – impact; Non-government# – no impact	Non-government schools — States act as an intermediary and needs are not assessed
SKILLS AND WORKFORCE DEVELOPMENT SERVICES				
National skills and workforce development SPP	To work towards increasing the skill levels of all Australians, including Indigenous Australians.	2012-13 to 2014-15	Impact	
National Partnership Payments				
Building Australia's future workforce (BAFW)				
BAFW — Skills reform	Funding for reforms of the vocational education training (VET) sector. Aims to create: <ul style="list-style-type: none"> – accessible training for working-age Australians and in particular, a more equitable training system, which provides greater opportunities for participating in education and training – a transparent VET sector, which enables better understanding of the VET activity in each State – a higher quality VET sector, which delivers learning experience and qualifications that are relevant to individuals, employers and industry – a more efficient VET sector which is responsive to the needs of students, employers and industry. 	2012-13 to 2014-15	Impact	
BAFW — training places for single and teen parents	Funding for the provision of training places at the Certificate II level or above, for single or teen parents affected by changes to parenting payment that comes in effect on 1 January 2013.	2012-13 to 2013-14	Impact	
Commonwealth/ State and Territory joint group training	To support group training organisations to deliver strategies and initiatives to improve Australian apprenticeship commencements and completions.	2012-13 to 2014-15	Impact	

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Education investment fund	<p>Payments to New South Wales and Western Australia to support the development of infrastructure for higher education, research and VET institutions to improve Australia's tertiary education, research and skills capacities.</p> <p>VET providers must be a registered training organisation (RTO) to be eligible for the funding. The administrative arrangements in New South Wales and Western Australia are such that the State is a RTO and is eligible to receive funding. In other States, payments go directly to RTOs.</p>	2012-13	No impact	For the majority of States, payments are made directly to service providers which do not reduce or increase State needs. The administrative arrangements in NSW and WA should not affect their relativities
Industry and Indigenous skills centre	To support industry and/or Indigenous community organisations for the purchase, construction, fit out or refurbishment of facilities intended for the delivery of vocational education and training. The funding is not intended to be available to Technical and Further Education (TAFE) institutions.	2012-13 to 2014-15	No impact	Industry and/or Indigenous community organisations — needs not assessed
TAFE fee waivers for childcare qualifications	Funding to remove course fees for child care diplomas and advanced diplomas, delivered by a TAFE institute or other training providers.	2012-13 to 2014-15	No impact	Commonwealth purchase — needs not assessed
Youth attainment and transitions*	<p>Funding to support the achievement of a national Year 12 /equivalent rate of 90% by 2015, and to halve the gap in Indigenous Year 12/equivalent by 2020. It has:</p> <ul style="list-style-type: none"> – maximising engagement, attainment and successful transitions – Year 12 attainment and transitions. <p>Reward payments will be made to the States based on achievements assessed by the COAG Reform Council.</p>	2012-13 to 2013-14	Reward payment — no impact; other — impact	No impact for reward payment as required by terms of reference
COMMUNITY SERVICES				
National disability SPP	<p>Funding associated with the National Disability Agreement, which commits the Commonwealth and the States to strive, through the provision of disability support services, to help people with disabilities and their carers achieve an enhanced quality of life and participate as value members of the community.</p> <p>Disability services for 'Older people' (people aged 65 years and over (50 years and over for Indigenous Australians)) became a Commonwealth responsibility from July 2011.</p> <p>Treasury advised the SPP is not provided to States on the basis that any proportion of it should be directed towards 'older people'.</p>	2012-13 to 2014-15	Impact	

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Changed roles and responsibilities – adjustment to achieve budget neutrality	Since 1 July 2011 (through to June 2014), the Commonwealth makes an adjustment to the National Disability SPP payment to ensure that the changes to Commonwealth and State roles and responsibilities for aged care and disability services are budget neutral. No adjustment is made for Victoria and Western Australia because they do not participate in the new arrangements.	2012-13 to 2014-15	Impact Exclude the payment, include State payments to the Commonwealth for notional costs of delivering service to younger people	
Transitioning responsibilities for aged care and disability services (TRACADS) – Basic community care maintenance and support services	Commenced in 2010-11 and provides basic community care maintenance and support services for people aged 65 years and over (50 years and over for Indigenous Australians). It replaces the Home and Community Care program for participating States (other than Victoria and WA). From July 2012, funding for these services for participating States was provided by the Commonwealth directly to service providers. Funding to Victoria and WA will continue under the joint Home and Community Care Program Review Agreement. Arrangements for Victoria will change due to its recent agreement to implement changes to roles and responsibilities in relation to aged care and disability services.	2012-13	All States — no impact	Aged care services for 'Older people' are Commonwealth responsibilities and needs are not assessed
TRACADS — Specialist disability services	Funding for specialist disability services for people aged 65 years and over (50 years and over for Indigenous Australians), in participating States.	2012-13 to 2014-15	All States — no impact	Disability services for 'Older people' are Commonwealth responsibilities and needs are not assessed
Aged care assessment	To enable Aged Care Assessment Teams to comprehensively assess the care needs of frail older people and to establish their eligibility for appropriate residential aged care, transitional care and community care services. Funding to the States in 2012-13 reflects the final amounts payable for 2011-12.	2012-13	All States — no impact	Aged care services for 'Older people' are Commonwealth responsibilities and needs are not assessed
Assisting preparation towards the launch of the National Disability Insurance Scheme*	Funding to assist Tasmania and the ACT in the transition to the new operating environment under DisabilityCare Australia and to support the ACT to expand services ahead of the launch of the National Disability Insurance Scheme (NDIS).	2012-13 to 2014-15	No impact	Terms of reference requirement

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
CCPSCH — Certain concessions for pensioners	To assist the States with the cost of funding concessions, for all pension concession card holders without discrimination, in relation to council land and water rates, utilities including energy and sewerage, motor vehicle registration and public transport.	2012-13 to 2013-14	Impact	
CCPSCH — National reciprocal transport concessions	Funding for public transport concessions to enable senior card holders to access public transport concessions when they travel outside their home State.	2012-13 to 2013-14	Impact	
Home and Community care (HACC)	Funding to Victoria and Western to continue the joint Commonwealth-State HACC program for the provision of basic community care maintenance and support services such as domestic assistance and personal care to older people. The Commonwealth and Victoria are working on transitioning HACC responsibilities for older people to the Commonwealth from 1 July 2015.	2013-14 to 2014-15	No impact	Needs not assessed
Home and Community Care — services for veterans	To support Home and Community Care program provision of community care services to veterans.	2012-13 to 2013-14	No impact	Commonwealth purchase — needs not assessed
Municipal and essential services	To support the delivery of municipal and essential services to outstations and homelands, such as access to power, water as well as sewerage and road maintenance.	2013-14 to 2014-15	No impact	Needs not assessed
National Occasional Care programme	Funding to support non-Child Care Benefit approved child care service providers, particularly in rural, regional and remote areas.	2014-15	No impact	Commonwealth purchase — needs not assessed
Pay equity for the social and community services sector	The Commonwealth's share of the wage increases arising from Fair Work Australia's decision on 1 February 2012 to grant an Equal Remuneration Order in the social and community services sector. The Commonwealth's commitment includes providing funding for its share of the wage increases for in-scope programs funded through existing SPPs and NPPs.	2013-14 to 2014-15	Impact	
Social and community services — Queensland pay equity regulation – back pay	To assist Queensland social and community services sector employers meet their obligations under the new Australian Government regulation for back pay to employees in the sector who were employed between 27 March 2011 and 29 February 2012.	2012-13	No impact	Needs not assessed

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Stronger futures in the Northern Territory* — community services components	<p>Payments include:</p> <ul style="list-style-type: none"> – Alice Springs transformation plan — to improve delivery, accessibility and coordination of services, facilitate land tenure reforms and improve the safety and wellbeing of Aboriginal people in Alice Springs. – Child, youth, family and community wellbeing — funding for playgroups, home and parenting support services, youth workers and safe houses; expansion of the number of Stronger Communities for Children sites; Remote Aboriginal Family and Community Workers and the continuation of Mobile Child Protection Teams. – Community safety and justice — funding for remote policing, community night patrols and legal assistance services. – Municipal and essential services — to support the delivery of municipal and essential services to outstations and homeland, such as access to power, water, sewerage and road maintenance, garbage collection and dog control. – Remote engagement and coordination — to support more effective engagement with communities through continued support for the NT Aboriginal Interpreter Services and the NT coordination effort of the Stronger Futures in the NT initiative. – Tackling alcohol abuse — to continue alcohol restrictions, licensing compliance and the development of alcohol management plans in communities. 	2012-13 to 2014-15	No impact	Terms of reference requirement
Trail of My Way sites*	<p>The NP agreement builds on the agreement between the Commonwealth and Western Australia for disability reform in Western Australia signed on 5 August 2013, which provides a two-year trial of two service delivery models.</p> <p>The payment supports the trial of the My Way model in the Lower South West region from July 2014 and the Cockburn/Kwinana region from July 2015. The My Way sites run in parallel with the NDIS trial site in the Perth Hill region for two years from 1 July 2014. The trials seek to inform the delivery of disability reform by evaluating the merits of the My Way and NDIS trial sites.</p>	2014-15	No impact	Terms of reference requirement
AFFORDABLE HOUSING				
National Affordable Housing SPP	The Commonwealth and the States have committed to the objective that all Australians have access to affordable, safe and sustainable housing which assist them to participate in the labour force and more broadly in the community.	2012-13 to 2014-15	Impact	

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
National Partnership Payments				
Building better regional cities##	To invest in local housing infrastructure projects that is helping to build more affordable homes in high growth regional cities.	2012-13 to 2013-14	No impact	Local government — needs not assessed
First Home Owners Boost#	As part of the Economic Security Strategy, to stimulate housing activity, support the construction industry and assist first homebuyers to enter the housing market. The Boost has now ceased. The payment in 2012-13 reflects the final 12 month application period and the timeframes allowed for the construction of new homes. Negative expenditure for some States reflects funds recovered from applicants later found to be ineligible returned to the Commonwealth.	2012-13 to 2014-15	No impact	Commonwealth purchase — needs not assessed
Homelessness	To support homelessness initiatives consistent with the priorities identified in the Commonwealth Government's White Paper on Homelessness: The Road Home, with a focus on prevention, early intervention and breaking the cycle of homelessness through a better connected service system. Outputs include: <ul style="list-style-type: none"> – implementation of the A Place Called Home initiative (building new homes for individuals and families experiencing homelessness) – street to home initiatives for chronic homeless people (rough sleepers) – support to private and public tenants to help sustain their tenancies, including through tenancy support, advocacy, case management, financial counselling and referred services – assistance for people leaving child protection services, correctional and health facilities, to access and maintain stable, affordable housing. Funding is allocated between the States based on their shares of the homeless population as estimated by the ABS in the 2006 Census of Population and Housing.	2012-13 to 2014-15	Impact	
Nation Building and Jobs Plan — Social housing	To invest in additional public and community housing to meet priority social housing needs. The Commonwealth had committed funding of \$6.4 billion over the years 2008-09 to 2011-12 to build around 20 000 additional social housing dwellings and to refurbish around 2 500 existing public housing dwellings. Funding is allocated to States generally on a per capita basis. Payments were mainly for construction.	2013-14	Impact	
Stronger futures in the Northern Territory* — Housing	To support the provision of safe and healthy houses for Indigenous Australians. This includes funding towards asbestos removal in homes and other buildings.	2012-13 to 2014-15	No impact	Terms of reference requirement

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Remote Indigenous Housing (RIH)	To facilitate significant reform in the provision of housing for Indigenous people in remote communities and to address overcrowding, homelessness, poor housing conditions and severe housing shortages in remote Indigenous communities.	2012-13 to 2014-15	No impact for 2012-13; and 75% impact for 2013-14 and 2014-15	2013-14 and 2014-15 75% impact — States have greater control over the management of RIH dwellings and needs are assessed. 25% no impact — to recognise part of funding is being used to overcome differences among States in the level of RIH stock provided by the Commonwealth.
INFRASTRUCTURE				
National Partnership Payments				
Abt Railway	Payment to Tasmania to support capital works on the Abt Railway, including restoring the line to an appropriate safety standard. The funding is contingent on the Tasmanian Government funding an operator for the line and underwriting its ongoing operational costs for the next four years.	2012-13	Impact	
Bathurst 200 Commemorative Flagstaff##	One-off payment to the Bathurst Regional Council for its Bathurst 200 Commemorative Flagstaff Project. The project commemorates the bicentenary of the site where the town of Bathurst was proclaimed.	2014-15	No impact	Local government — needs not assessed
Centenary of Canberra 2013 – a gift to the national capital*	Payment to the ACT to commemorate the Centenary of Canberra in 2013. Payments are for the redevelopment of Constitution Avenue and the development of the National Arboretum Canberra.	2014-15	No impact	Terms of reference requirement
Community Infrastructure — Glenbrook precinct upgrade	Payment to New South Wales to improve facilities for visitors in the Glenbrook precinct of the Blue Mountains National Park, which is a major gateway to the Greater Blue Mountains World Heritage Area.	2012-13 to 2013-14	No impact	Needs not assessed
East Kimberley Development Package – Other infrastructure projects##	Funding for investment in transport and community infrastructure projects to help building a 'sense of place' within the community as well as improving liveability and economic growth in the East Kimberly region. Part of the payments is made direct to local government.	2012-13	States – Impact; local government – no impact	Local government — needs not assessed

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Interstate road transport	Payments of funds received through the Federal Interstate Registration Scheme that provides an alternative to State registration for vehicles engaged in interstate trade.	2012-13 to 2014-15	Assessed as motor tax revenue	
Latrobe Valley economic diversification## (partial paid direct to Local government (LG))	The programme will provide up to \$10.85 million to two infrastructure projects to support economic diversification in the Latrobe Valley. – Warragul Station Precinct Upgrade – Moe Rail Precinct Revitalisation Project	2013-14 to 2014-15	Warragul Station – impact Moe Rail Precinct – no impact	Local government – needs not assessed
Liveable cities /communities## (partial paid direct to LG)	Funding to help improve the planning and design of capital cities and major regional centres that are experiencing population growth pressures and housing and transport affordability cost pressures.	2012-13 to 2013-14	States – Impact; local government – no impact	Local government – needs not assessed
Local Government and Regional Development –infrastructure employment projects## (partial paid direct to LG)	Funding to generate jobs and increase skills by supporting key infrastructure projects in areas of need in local communities.	2012-13 to 2013-14	States – Impact; local government – no impact	Local government – needs not assessed
Managed motorways	Funding over four years for smart infrastructure technologies to reduce congestion and improve both traffic demand management and the overall efficiency of the transport network in major cities.	2012-13 to 2014-15	Impact	
Murray – Darling Basin regional economic diversification program	Funding to support regional communities in adjusting to the changes brought about by the implementation of the Murray – Darling Basin Plan for water reform.	2013-14 to 2014-15	Impact	
Parliament House Walk	Funding to the ACT for the construction of the Parliament House Walk between the Civic Centre and Parliament House in Canberra. The Walk will become an Australian Government asset on completion.	2012-13	No impact	Commonwealth purchase – needs not assessed
Upgrade of Parramatta Stadium	Funding for the upgrade of Parramatta Stadium, which includes upgrades to the Eastern Grandstand, modernised food and beverage outlets and new player facilities. Parramatta Stadium is run by Venues NSW, a government owned entity that reports to the Minister for Sport and Recreation.	2012-13	Impact	

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Western Australia infrastructure projects*	One-off payment to Western Australia for infrastructure projects that will boost jobs and growth. Funding will be allocated to the development of the Mitchell Freeway and to increase the Commonwealth's contributions to other projects under the National Partnership Agreement on Land Transport infrastructure.	2014-15	No impact	Terms of reference requirement
Nation building plan for the future	Building Australia Fund — rail	2012-13 to 2014-15	Non-national rail network (NRN) — impact; National rail network — 50% impact	50% NRN investment — assessment may not capture all non-policy influences
	Building Australia Fund — National network road (NNR) investment*	2012-13 to 2014-15	Non-NNR — impact; NNR and roads identified in terms of reference — 50% no impact	50% NNR investment — assessment may not capture all non-policy influences; Some roads are treated 50% no impact as required by terms of reference
	Major Cities — rail	2012-13	Non-NNR — impact; NRN — 50% impact	50% NRN investment — assessment may not capture all non-policy influences
Infrastructure Investment program (was Nation building program in 2012-13)	To assist national and regional economic and social development by the provision of funding aimed at improving the performance of land and rail infrastructure. It has several components.			
	Black spot projects — To improve the safety of road sites which have been identified as high risk areas for serious crashes.	2012-13 to 2014-15	Impact	
	Heavy vehicle and productivity — To address the safety of drivers of heavy vehicles through the construction of rest stops and parking bays, upgrading the capacity of roads (including bridges) and technology trials which will improve heavy vehicle productivity.	2012-13 to 2014-15	Impact	

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
	Improving local roads — To supplement the Roads to Recovery program*	2012-13	No impact	Supplements the Roads to Recovery payment which is quarantined by terms of reference
	Improving the national network — A one-off supplementary payment of \$1.8 billion was made in 2005-06 to the States to complete major works packages.	2012-13 to 2014-15	Non-NNRs – impact; NNR – 50% impact	50% NNR investment — assessment may not capture all non-policy influences
	Investment — Targets nationally significant projects that will improve the efficiency and safety of the national land transport network. Funding is provided for road and rail construction projects and network maintenance, including transport development, innovation projects and grants to land transport research entities.			
	Investment – rail	2012-13 to 2014-15	Non-NNR – impact; NNR – 50% impact	50% NNR investment — assessment may not capture all non-policy influences
	Investment – road	2012-13 to 2014-15	NNRs – 50% impact; 50% no impact	50% NNR investment — assessment may not capture all non-policy influences
	Off-network projects — To improve rail and road infrastructure not included on the national land and transport network. It improves safety, assists industry development and supports job creation in local communities.			
	– rail### (some payments were made to local government)	2012-13 to 2013-14	States – Impact; local government – no impact	Local government — needs not assessed
	– road### – supplementary (road investment) (some payments were made to local government)	2012-13 to 2014-15	States – Impact; local government – no impact	Local government — needs not assessed
	Roads to recovery*##,### (paid either through the States or direct to LG)	2012-13 to 2014-15	No impact	Terms of reference requirement

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Infrastructure Growth Package	Infrastructure Growth Package will provide \$11.6 billion for investment in critical infrastructure to encourage economic growth boost productivity and create jobs. The package includes three components.			
	Asset Recycling Fund – Asset Recycling Initiative*. Payment to encourage States to divest assets and reinvest the proceeds into additional productive infrastructure. Funding allocated on a first-come, first-served basis, as projects are agreed between Commonwealth and individual States.	2014-15	No impact	Terms of reference requirement
	Asset Recycling Fund – New investments*. Additional funding to expedite investment in high quality economic infrastructure. This includes funding for significant road projects, the National Highway Upgrade Program, funding for Black spot projects, and Roads to Recovery. It includes payments direct to local governments. Projects include Melbourne's East West Link Western Section (stage 2), Adelaide's North South Corridor, the Perth Freight Link, Toowoomba Second Range Crossing, and projects on the National Land Transport Network in the Northern Territory. The terms of reference ask the Commission apply a 50% discount to payments for these projects.	2014-15	State non-NNR – impact; State NNR and roads identified in terms of reference – 50% impact; Local government – no impact; Black spot – impact; Roads to recovery – no impact	50% NNR investment – assessment may not capture all non-policy influences Some roads are treated 50% no impact as required by terms of reference Local government – needs not assessed Roads to recovery – terms of reference requirement
	Asset Recycling Fund – Western Sydney Infrastructure Plan*. Additional funding over 10 years to construct and upgrade existing road infrastructure to support the new Western Sydney airport at Badgerys Creek and provide road infrastructure to support the growing population in Western Sydney. The terms of reference ask the Commission apply a 50% discount to payment for this project.	2014-15	50% impact	Terms of reference requirement

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
National transport regulator reforms	In August 2011, COAG committed to the implementation of national safety regulatory systems through the signing of new Intergovernmental Agreement on heavy vehicles, rail and maritime safety.			
	– National Heavy Vehicles Regulator – Funding for the establishment of the National Heavy Vehicle Regulator established in Queensland in January 2013 and the project implementation team.	2012-13	No impact	Commonwealth purchase — needs not assessed
	– National Rail Safety Regulator — Funding for the establishment of the National Rail Safety Regulator established in South Australia and the project implementation team.	2012-13	No impact	Commonwealth purchase — needs not assessed
Regional Infrastructure Fund	<p>Funding to support the infrastructure needs of Australia's regions through the Regional Infrastructure Fund (RIF), which runs for 11 years to 2020-21.</p> <p>Projects from the RIF are delivered in three streams. Streams 1 and 2 are payments to the States. Stream 3 provides funding for the Regional Development Australia Fund, which is made direct to eligible local governments and not-for-profit organisations for local projects. Stream 3 is a Commonwealth own-purpose expense.</p> <p>Stream 1 — To support projects committed in the 2010 infrastructure and transport portfolio.</p> <p>Stream 2 — To support ongoing investment in economic infrastructure. Eligible infrastructure includes rail, roads, ports, airports, energy, communication, water and other critical infrastructure and development work.</p>	2012-13	Non-NNR – impact; NNR – 50% impact	50% NNR investment — assessment may not capture all non-policy influences
ENVIRONMENT				
National Partnership Payments				
Assistance for water infrastructure and pest management in drought-affected areas	To assist drought-affected farm businesses with installing water-related infrastructure and with managing the impacts of pest animals in drought-affected areas, with the pest management component contingent upon equal contribution from the States.	2013-14 to 2014-15	No impact	Needs not assessed

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Assistance to farm businesses for water-related infrastructure	Funding to New South Wales and Queensland to supplement these States' existing emergency water infrastructure rebate programs.	2013-14 to 2014-15	No impact	Needs not assessed
Bushfire mitigation	Payment to enable States to implement long-term bushfire mitigation strategies and improve fuel reduction activities. Part of the payment is for the remaining components of the National Burning Project which will develop consistent national standards and bushfire fuel load classification processes and systems.	2014-15	Impact	
Caring for our Country*	Funding to integrate delivery of previous natural resource management programs: Natural Heritage Trust; National Action Plan for Salinity and Water Quality; National Landcare; Environmental Stewardship and Working on Country Indigenous land and environment. Payments are made to regional bodies through the States.	2012-13	No impact	Terms of reference requirement
Coal seam gas and large coal mining development	Funding to strengthen the regulation of coal seam gas and large coal mining development by ensuring future decisions are informed by improved science and independent expert advice.	2012-13 to 2013-14	Impact	
Environmental management of the former Rum Jungle mine site	Payment to the Northern Territory to support the ongoing management of the former Rum Jungle mine site.	2012-13 to 2014-15	No impact	Needs not assessed
Great Artesian Basin Sustainability Initiative	Funding for the repair of uncontrolled artesian bores and the replacement of wasteful open earth bore drains with piped water reticulation systems through the Great Artesian Basin. This initiative is delivered through States and jointly funded by Commonwealth, States and private bore owners.	2012-13 to 2014-15	Impact	
Implementation of the National Insurance Affordability Initiative	The initiative aims to reduce flood risk and bring about reductions in insurance premiums. Payment is made to Queensland for the construction of a flood levee in Roma and improving the flood defences in Ipswich.	2014-15	No impact	Needs not assessed
Implementing water reform in the Murray-Darling Basin	Funding for implementation of the Agreement on Implementing Water Reform in the Murray-Darling Basin. The Agreement will ensure continuing progress in restoring the Basin's rivers to health and securing strong regional communities and sustainable food and fibre production.	2012-13 to 2014-15	No impact	Needs not assessed

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Natural disaster resilience#	Funding to reduce the impact of the increasing resilience to natural disaster. The Commonwealth and States will work with other parties, such as volunteers, private and non-government sectors and local government to achieve this outcome.	2012-13 to 2014-15	No impact	Local government and non-government organisations — needs not assessed
Natural disaster recovery and rebuilding – donation to Queensland flood appeal#	The Commonwealth contribution to the Queensland Premier's Disaster Relief Appeal to help people affected by natural disasters.	2012-13	No impact	Commonwealth purchase — needs not assessed
Northern Australia sustainable futures	Funding to Queensland and the Northern Territory to build the capacity of local government and communities in Northern Australia to effectively manage water infrastructure maintenance and engage communities to appropriately manage community and household demand for water.	2012-13	Impact	
Pest and disease preparedness and response programs (PDPRP)				
PDPRP — Animal and plant pest disease eradication*	Funding to eradicate exotic animal and plant pests and diseases, which if allowed to establish and spread, would have serious economic and environmental impacts.	2012-13 to 2014-15	No impact	Part of the Caring for our Country program which was quarantined by terms of reference
PDPRP — Exotic Disease Preparedness	Funding to support the development of technologies and strategies to prevent, control or eradicate disease specifically in wildlife and feral animals, focusing on those that could threaten Australia's livestock industries.	2012-13 to 2013-14	No impact	Needs not assessed
South Australian River Murray Sustainability program (SARMSP)				
SARMSP – Irrigation efficiency and water purchase*	Funding to support more efficient delivery and use of water by irrigation water providers and irrigators.	2013-14 to 2014-15	No impact	Terms of reference requirement
SARMSP – Irrigation industry assistance*	Funding to help improve productivity of the South Australian River Murray industry.	2013-14 to 2014-15	No impact	Terms of reference requirement
SARMSP – Regional economic development*	This program provides funding for the redevelopment of the Loxton Research Centre, a program of industry-led research, and a regional development and innovation program.	2013-14 to 2014-15	No impact	Terms of reference requirement

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Sustainable Australia — sustainable regional development##	Funding to support selected local government authorities for capacity building and other activities associated with the development and/or implementation of regional sustainability planning. This planning will help to ensure that future population change is compatible with the economic, environmental and social wellbeing of Australia.	2012-13 to 2014-15	No impact	Local government — needs not assessed
Tasmania Forests Inter-governmental Agreement*	Signed in August 2011, the aim of the agreement is to support the forest industry to progressively transition to a more sustainable and diversified footing, to protect additional areas of high conservation value native forest, and to build economic diversity and community resilience.			
	Implementation — to support the implementation of the Agreement, and ongoing management of additional native forest reserves.	2012-13 to 2013-14	No impact	Terms of reference requirement
	Economic diversification projects — funding for regional development projects to support diversification of the Tasmanian economy.	2012-13	No impact	Terms of reference requirement
Water for the Future (WFF)				
WFF — National Urban Water and Desalination Plan## (partial paid direct to LG)	To fund four specific urban water management projects in large urban centres as part of the National Urban Water and Desalination Plan. These projects will help secure water supplies and reduce reliance on traditional rainfall dependent water sources.	2012-13 to 2014-15	States — Impact; local government — no impact	Local government — needs not assessed
WFF — National Water Security Plan for Cities and Towns## (partial paid direct to LG)	To fund six specific urban water management projects and 18 projects, across 17 remote communities to assist implementation of COAG Strategy for Water and Wastewater in remote (including Indigenous) communities.	2012-13 to 2014-15	States — Impact; local government — no impact	Local government — needs not assessed
WFF — Sustainable Rural Water Use and infrastructure## (partial paid direct to LG)	This funding is provided under numerous arrangements, such as the National Partnership (NP) on Water for the Future and Water Management Partnership Agreements relating to the Intergovernmental Agreement on Murray-Darling Basin Reform. Aims to improve the efficiency and productivity of rural water management and usage; delivers substantial and lasting water returns to the environment; and helps secure a long-term sustainable future for irrigated agriculture.	2012-13 to 2014-15	States — Impact; local government — no impact	Local government — needs not assessed

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Tasmanian Wilderness World Heritage Area	Funding to support the Australian Government's duties as a party to the World Heritage Convention to take appropriate legal, scientific, technical, administrative and financial measures necessary for the identification, protection, conservation, presentation and rehabilitation of cultural and natural heritage situated on its territory which is of Outstanding Universal Value. The payment is to support the Tasmanian government to <ul style="list-style-type: none"> – deliver its ongoing responsibilities to manage the World Heritage values of the 2013 extension to the Tasmanian Wilderness World Heritage Area – complete a study of the cultural values of the Tasmanian Wilderness World Heritage Area to meet the outstanding requests from the World Heritage Committee (in 1989, 2008, 2013 and 2014) for "further study and consultation with the Tasmanian Aboriginal community in order to provide more detailed information on the cultural value of the property and how these relate to the Outstanding Universal Value". 	2014-15	No impact	Needs not assessed
Water Reform — Constraint measures	The Commonwealth created a \$1.77 billion Water for the Environment Special Account as part of the funding for projects related to the sustainable diversion limit (SDL) adjustment mechanism under the Intergovernmental Agreement on Implementing Water Reform in the Murray Darling Basin. From this account, \$200 million was allocated to address physical, institutional and operational constraints that limit the ability to deliver environmental water to the environmental assets of the Murray-Darling Basin.	2014-15	No impact	Needs not assessed
Whale and dolphin entanglements	Payment to support State government purchase of equipment and training aimed at improving responses to whale and dolphin entanglements. Funding is part of the Commonwealth's broader Whale and Dolphin Protection Plan.	2014-15	No impact	Needs not assessed
CONTINGENT PAYMENTS				
Hepatitis C settlement fund	Contribution to the participating States' schemes for out-of-court settlement costs for eligible individuals who contracted Hepatitis C through the blood supply service between 1985 and 1991.	2012-13 to 2014-15	No impact	Commonwealth purchase — needs not assessed
Natural Disaster Relief and Recovery Arrangements (NDRRA)	Funding to assist the States with relief and recovery assistance following eligible natural disasters. This includes payments to the States in response to recent and past natural disasters including the January 2013 flood and Tropical Cyclone Oswald, November 2010 to February 2011 floods, bushfires and Tropical Cyclone Yasi.	2012-13 to 2014-15	No impact	Commonwealth purchase — needs not assessed

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
OTHER STATE SERVICES				
2014 G20 leaders' summit security	Funding to upgrade Queensland's policing capacity to support the G20 leaders' summit in Brisbane and the finance ministers' and central bank governors' meeting in Cairns.	2013-14 to 2014-15	No impact	Commonwealth purchase — needs not assessed
2018 Gold Coast Commonwealth Games	Funding to support the delivery of critical sports infrastructure for the 2018 Commonwealth Games that will boost economic activity in Southeast Queensland and leave a lasting legacy for Queensland and Australia.	2013-14	No impact	Needs not assessed
Assistance to Tasmania to implement national policy reforms*	Funding to assist Tasmania with budget flexibility in the case of expected challenges arising from the implementation of national policy reforms. This payment was to allow Tasmania to implement Schools reforms.	2013-14	No impact	Terms of reference requirement
Australian Capital Territory emergency services	Funding to assist in the operation of the ACT Rural Fire Service, as well as to support the ACT State Emergency Services and the Emergency Management, Risk and Spatial Services program.	2012-13 to 2013-14	No impact	Needs not assessed
Centenary of Canberra 2013 – joint national program	Funding to the ACT over three years to celebrate the Centenary of Canberra in 2013. These activities include cultural, sporting and civic awareness events and will engage communities across Australia to celebrate the centenary of the role of Canberra as the Nation's capital.	2012-13 to 2013-14	No impact	Commonwealth purchase – needs not assessed
Developing demand-driver infrastructure for the tourism industry	Payment for projects that create and encourage tourism, and assist the tourism industry to meet the national tourism strategy, <i>Tourism 2020</i> . Projects may be for recurrent or capital purposes.	2014-15	Impact	
Digital regions initiative#	To co-fund innovative digital enablement projects to support improved education, health and emergency services in regional, rural and remote communities.	2012-13	States — Impact; local government and non-government organisations — no impact	Local and non-government organisations — needs not assessed

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Financial assistance grants to local government#	To provide financial contribution through State governments for the provision of local government services to the community. Payment is made up of general purpose assistance and untied local roads grants. General purpose assistance is distributed between the States on a per capita basis, while untied local roads grants are paid on the basis of 1991-92 interstate road shares.	2012-13 to 2014-15	No impact	Local government — needs not assessed
Supplementary road funding to SA for local roads#	Supplementary funding to South Australia to address the State's disadvantage under the current distribution of the untied local roads grants.	2012-13 to 2013-14	No impact	Local government — needs not assessed
Indigenous Communications (was Remote Indigenous public internet access)	Funding to improve public internet access facilities and provide related computer training to remote Indigenous communities.	2012-13 to 2014-15	Impact	
Legal assistance services	To provide funding to the State Legal Aid Commission for the provision of legal assistance to disadvantaged persons in accordance with Commonwealth policy priorities.	2012-13 to 2014-15	No impact	Commonwealth purchase — needs not assessed
Local Government and Regional Development – Local Government Reform Fund	Funding to the States for projects that support the implementation of nationally consistent frameworks for local government asset and financial management and/or improve collaboration in the local government sector.	2012-13	Impact	
Pilot of drought reform measures in Western Australia*	Funding to trial a package of new measures developed in response to the national review of drought policy, including assistance for farm business planning, on farm projects and capacity building and community activities, as well as support for farm households and communities.	2012-13 to 2013-14	No impact	Terms of reference requirement
Port Arthur Penitentiary restoration	Payment to support conservation works on the Post Arthur Historic Site's Penitentiary ruin in Tasmania.	2014-15	Impact	
Provision of fire services	Funding to provide the States with equitable payment arrangements for the fire protection of Commonwealth-owned buildings.	2012-13 to 2014-15	No impact	Commonwealth purchase — needs not assessed

Table 2 Payments listed in the Commonwealth's final budget outcome (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Seamless national economy*	Reward funding for the delivery by the States of regulatory reforms aimed at reducing inefficient and costly regulation. The Commonwealth has redirected \$55.1 million in payments from Victoria's allocation of reward funding in 2013-14 to provide funding direct to Victorian Local Hospital Networks in 2012-13.	2012-13 to 2013-14	No impact	Reward payment — no impact as required by terms of reference
Sinking fund on State debt*	Contributions to the Debt Retirement Reserve Trust Account on behalf of the six States and the Northern Territory in accordance with the Financial Agreement Act 1994.	2012-13 to 2014-15	No impact	Terms of reference requirement
Victorian local hospital networks	Payment directly to Victorian Local Hospital Networks to support the ongoing provision of public hospital services.	2012-13	Impact	
*	Treatment prescribed by the terms of reference.			
#	Payments made through the States.			
##	Payments (full or partial) made direct to local governments.			

Table 3 Commonwealth own-purpose expenses payments (COPEs) — payments to State general government

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Highly specialised drugs	To provide access to certain drugs under the PBS which must be supplied through hospitals to outpatients because of special needs in clinical administration or monitoring. The Commonwealth funds all usage of highly specialised drugs by hospital outpatients. The payments only cover the cost of the drugs themselves by reimbursing the amount spent by public and private hospitals for these pharmaceutical benefits.	2012-13 to 2014-15	No impact	Commonwealth purchase — needs not assessed
Commonwealth grants to Indigenous community health organisations	Funding to improve access for Indigenous people to effective health care services essential to improving health, life expectancy and reducing child mortality. Payments are made to national and State agencies and non-government organisations (NGOs).	2012-13 to 2014-15	Payment to State general government sector — Impact; payments to NGOs — used for the non-State sector adjustment for community health assessment	
INDIGENOUS ADVANCE STRATEGY (IAS)				
(new groupings starting from 2014-15, may overlap with programs in previous years)				
IAS – Jobs, land and economy	This program aims to improve the vocational, workplace and entrepreneurial skills of Indigenous people to improve employment outcomes and support the development of Indigenous businesses. It also provides support for native title through the funding of native title representative bodies and service providers and capacity building of prescribed bodies corporate, which hold native title. It also includes demand-driven employment funding and the Remote Jobs and Community Program.	2014-15	No impact	Needs not assessed
IAS – Children and schooling	This program supports activities that nurture and educate Indigenous children, youth and adults to improve pathways to prosperity and wellbeing. This includes improving family and parenting support, child care and early learning, school education, youth engagement and transition and higher education.	2014-15	Impact	
IAS – Safety and wellbeing	This program supports activities that will achieve outcomes such as, but not limited to: a reduction in harm from drug, alcohol and substance misuse, a reduction of offending, violence and victimisation in communities, improved health, social and emotional wellbeing.	2014-15	Impact	
IAS – Culture and capability	This program supports Indigenous people to maintain their culture and participate equally in the economic and social life of the nation and to ensure that Indigenous organisations are capable of delivering quality services to their clients.	2014-15	No impact	Needs not assessed

Table 3 COPEs — payments to State general government (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
IAS – Remote Australia Strategies	This program supports the provision of infrastructure, housing, telecommunications and home ownership in remote Indigenous communities, as well as the development of local and regional place based approaches. It funds activities leading to one or more of the following outcomes: increased home ownership, particularly on Indigenous owned land, improved Indigenous telecommunications activities to remote areas, discrete support for remote infrastructure, including renewable energy systems, and flexible, place-based agreements with Indigenous communities and regions to improve Indigenous school attendance and attainment, employment, community safety and other enabling services.	2014-15	Municipal and essential services component — no impact; others impact	Essential services component — needs not assessed
OTHER INDIGENOUS PROGRAMS				
Culture Support	To support the maintenance and continued development of Indigenous culture at the community level. It includes: <ul style="list-style-type: none"> – Indigenous Visual Arts Industry Support — funding to Indigenous art centres and allied industry organisations, with the objective of building a stronger Indigenous visual arts industry. – Indigenous Language Support — to support the maintenance, transmission and revival of Indigenous languages. – Indigenous Repatriation (domestic) — to return Aboriginal and Torres Strait Islander ancestral remains and secret sacred objects held in major Australian museums to their communities of origin. 	2012-13 to 2013-14	No impact	Commonwealth purchase and needs not assessed (support for Indigenous culture and arts is a Commonwealth responsibility)
Justice	To fund projects that seek to reduce adverse contact of Indigenous Australians with the criminal justice system. The objective is to support safer communities by reducing offending, victimisation and incarceration of Indigenous people.	2012-13 to 2013-14	Impact	
Northern Territory Aboriginal interpreter service	To help Indigenous Australians access basic community services by alleviating language barriers.	2012-13 to 2013-14	No impact	Needs not assessed
Family violence partnerships	To develop a sustainable reduction in, and prevention of, Indigenous family violence and child abuse through the enhancement of existing, or establishment of new services/initiatives, in partnership with States and Territories. Ceased at the end of 2011-12 and was merged with the Indigenous Family Safety program.	2012-13 to 2013-14	Impact	

Table 3 COPEs — payments to State general government (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Remote Indigenous Energy Program	To assist remote Indigenous communities to access reliable power through the installation of renewable energy systems. Also to educate community members to help make sure that people don't waste power and train community members on how to look after the renewable energy systems.	2012-13 to 2013-14	No impact	Commonwealth purchase — needs not assessed
Army Aboriginal Community Assistance	A collaborative partnership with the Australian Army targeting remote Indigenous communities. Aims to improve remote Indigenous communities by providing housing, road upgrades, sewerage systems, community buildings, health services and training to help local Indigenous people get jobs.	2012-13 to 2013-14	No impact	Commonwealth purchase — needs not assessed
Municipal and essential services	To maintain community power, water and sewerage services, garbage collection, internal road maintenance, dog health and control programs and operation costs associated with the running of organisations that provide these services to communities.	2012-13 to 2013-14	No impact	Commonwealth purchase — needs not assessed
Housing and infrastructure projects	To provide housing for Indigenous people in remote communities and to address overcrowding, homelessness, poor housing conditions and severe housing shortages in these communities.	2012-13 to 2013-14	Impact	
Breaking the cycle of alcohol and drug abuse in Indigenous communities	To assist Indigenous communities to develop and implement Alcohol and substance abuse management plans (AMP), support community groups and not-for-profit organisations work at a local level in order to drive the AMP and support the community, and provide prevention programs to tackle youth substance abuse.	2012-13 to 2013-14	Impact	
Combatting Petrol Sniffing Strategy	To reduce the incidence and impact of petrol sniffing and other forms of substance abuse among Indigenous youth and communities in specific areas.	2012-13 to 2013-14	Impact	
Indigenous Leadership	To develop effective leadership capacity for Indigenous individuals and communities to improve their wellbeing and engagement with government, with a focus on leadership.	2012-13 to 2013-14	No impact	Commonwealth purchase — needs not assessed
Indigenous Women's Grants	To fund activities that respond to the particular needs and circumstances of local Indigenous women, such as to support more women to undertake leadership, representative and management roles; and to increase Indigenous women's awareness of, access to, and role in local priority setting and Government funding activities.	2012-13 to 2013-14	No impact	Commonwealth purchase — needs not assessed
Indigenous Community Strategic Investment	To provide the opportunity to create sustainable improvements for Indigenous Australians through a range of flexible funding and strategic initiatives in Indigenous communities.	2012-13 to 2013-14	No impact	Majority of projects is specific to the communities and needs are not assessed

Table 3 COPEs — payments to State general government (continued)

Payment	Program description	Years paid in U2016	Treatment in U2016	Reason for 'No impact'
Indigenous Remote Service Delivery	To improve the delivery of services to 29 priority remote locations across New South Wales, Queensland, Western Australia, South Australia and the Northern Territory.	2012-13 to 2013-14	Impact	
Community Development Employment Project (CDEP)	To strengthen Indigenous communities and support Indigenous people in remote areas through community development and participation opportunities that develop skills, improve capacity, work readiness and employability and link with local priorities. From 1 July 2013, the Australian Government's new Remote Jobs and Communities Program provides a more streamlined and flexible approach to employment, participation and community-development services in 60 remote regions. The new program builds on the strengths of four existing programs: Job Services Australia, Disability Employment Services, the Indigenous Employment Program and the CDEP program.	2012-13 to 2013-14	No impact	Commonwealth purchase — needs not assessed
National Job Creation Package (Municipal and Essential Services)	Targeted jobs at CDEP participants engaged in activities that delivered municipal and essential services to Indigenous communities. Indigenous Australians employed in the jobs created were expected to receive the full benefits of employment.	2012-13 to 2013-14	No impact	Commonwealth purchase — needs not assessed
Public Awareness	To fund initiatives that raise public awareness in the wider community of Aboriginal and Torres Strait Islander issues and culture. The program has two elements. Public awareness grants — payments to selected activities that are capable of reaching a significant audience of non-Indigenous people. National Aborigines and Islanders Day Observance Committee (NAIDOC) activities — payment to community-based organisations or other bodies to assist with the cost of their NAIDOC activities (NAIDOC celebrations are held annually).	2012-13 to 2013-14	No impact	Commonwealth purchase — needs not assessed
All OTHER COPEs				
All other COPE payments	The Commission does not have information on all COPE payments, especially those paid to non-government organisations, and therefore would not be able to consider the treatment of each payment.			