

# TREATMENT OF COMMONWEALTH PAYMENTS IN THE 2018 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 have an impact on the relativities.
- 2 Expenditure needs are differences assessed by the Commission that affect the per capita cost of delivering services in the States. In some cases, on conceptual grounds, the Commission considers that there are no differences in the per capita cost in delivering certain services among States. Expenditure for those services will be assessed based on population shares. This is considered as a deliberative equal per capita assessment and the need is population shares.
- 3 Where expenditure needs for some services have not been assessed because the cost of delivering those services are not materially different among States, or because the Commission has not been able to assess them, these are not a deliberative equal per capita assessment. Any associated payments should not affect the GST distribution.
- 4 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

- 5 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, 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, Students First funding (for government schools), 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.

- 6 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.
- 7 The 2018 Update terms of reference (ToR) require the Commission to treat the following payments so they have no direct influence on the relativities:
  - \$730.4 million to Tasmania relating to the transfer of ownership of the Mersey Community Hospital
  - \$1.42 billion to Victoria relating to the Regional Rail Revival program
  - \$1.2 billion to Western Australia relating to the re-allocated Perth Freight Link Infrastructure funding.
- 8 Accordingly, the payment to Tasmania (made in 2016-17) has been treated in a way that it does not influence the relativities. The payments to Victoria and Western Australia (not paid in the assessment years of this update) will not influence the relativities when they are paid in the assessment years of future updates.
- 9 In addition, as directed by the 2018 Update terms of reference, the Commission has continued to exclude those payments (full amount or 50% of the amount) quarantined by previous terms of reference. They are:
  - Assisting preparation towards the launch of the National disability insurance scheme
  - Caring for our country — animal and plant pest disease eradication
  - Centenary of Canberra 2013 — A gift to the national capital
  - Health care grants for the Torres Strait
  - Improving health services in Tasmania
  - Infrastructure growth package — Asset recycling initiative
  - Northern Territory remote Aboriginal investment
  - Roads to recovery
  - Royal Darwin Hospital — equipped, prepared and ready
  - Royal Victorian Eye and Ear Hospital redevelopment
  - Sinking fund on State debt
  - South Australian River Murray sustainability programme
  - States' drawdowns from DisabilityCare Australia Fund during the transition phase for the National disability insurance scheme
  - Stronger Futures in the Northern Territory

- Victorian cytology service
  - Western Australia infrastructure projects
  - 50% of the following payments:
    - \$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.
- 10 The 2018 Update terms of reference also require the National health reform funding and corresponding expenditure relating to the provision of cross-border services to the residents of other States be allocated to States on the basis of residence. We have adjusted the National health reform funding accordingly.

## BACKCASTING

- 11 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.
- 12 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.
- 13 In the 2018 Update, the Commission has considered backcasting of the following payments.

## Quality Schools funding

- 14 The 2015 Review terms of reference required the Commission to apply the following treatment to the National Education Reform Agreement (NERA),:
- not to unwind the recognition of education disadvantage embedded in the funding arrangements
  - to ensure no State or Territory received a windfall gain from non-participation.
- 15 To do this, from the 2015 Review to the 2017 Update, the Commission based its assessments of Commonwealth funded government schools on Department of

Education projections of the application year State shares of the Schooling Resource Standard (SRS), and used the Commonwealth's *Mid-year Economic and Fiscal Outlook* estimates of State shares of the application year's Students First (or former NERA) payments to assess the associated revenue.

- 16 From 1 January 2018, the Commonwealth implemented a new needs-based funding approach for schools — Quality Schools, which replaced the Students First funding arrangement. However, negotiations on the new funding arrangements have not been finalised at the time of the 2018 Update. This has precluded the Commission from following previous practice of using application year distribution of funds in its Schools assessment in the 2018 Update. The Commission has ceased backcasting Schools associated funding in this update because of uncertainty.

## National Housing and Homelessness Agreement

- 17 As published in the *Federal Financial Relations, Budget Paper No. 3, 2017-18*, a new National Housing and Homelessness Agreement (NHHA) will commence in 2018-19. The NHHA will combine funding from the National affordable housing agreement with that from the National Partnership Agreement on Homelessness. It will contain provisions for financial penalties or partial funding where certain performance requirements are not met.
- 18 The Commission did not backcast the payments under NHHA because they are not paid as a result of a major change in federal financial arrangements. The quantum and distribution of the payments in 2018 19, as shown in the *Mid-year Economic and Fiscal Outlook 2017 18*, will not be of a different order of magnitude from the previous payments. In addition, the Commonwealth is still negotiating bilateral schedule with the States. The Commission does not have, at this stage, the necessary information to decide how financial penalties would be treated.

## Other payments commencing in 2017-18 and 2018-19

- 19 We do not consider any other payments commencing in 2017-18 and 2018-19 published in the *Federal Financial Relations, Budget Paper No. 3, 2017-18* require backcasting. Treatment of these new payments will be considered when they appear in the data in the assessment period.

## TREATMENT OF PAYMENTS MADE IN 2014-15 TO 2016-17

- 20 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. Table 2 to Table 3 show details of payments made in 2014-15 to 2016-17 and the Commission's decision on the treatment of each payment.

**Table 1 Summary of treatment of Commonwealth payments**

Payment	Year of payments			Treatment
	14-15	15-16	16-17	
<b>GENERAL REVENUE ASSISTANCE</b>				
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
<b>HEALTH</b>				
<b>National health reform funding</b>	x	x	x	Impact on relativities
<b>National partnership payments</b>				
<b>National Health Reform</b>				
National emergency access target*				
– facilitation and/or reward funding	x			Reward – no impact; Other – impact
National elective surgery target*				
– facilitation and/or reward funding	x			Reward – no impact; Other – impact
<b>Health infrastructure</b>				
Health and hospitals fund				
Hospital infrastructure and other projects of national significance	x	x		Impact on relativities
National cancer system	x	x	x	Impact on relativities
Regional priority round	x	x	x	Impact on relativities
Albury-Wodonga Hospital Cardiac Catheterisation Laboratory		x	x	Impact on relativities
Bright Hospital — feasibility study	x	x		Impact on relativities
Cancer Support Clinic in Katherine	x			Impact on relativities
Construction of Palmerston Hospital	x		x	Impact on relativities
Improving Local Access to Healthcare on Phillip Island		x	x	Impact on relativities
Oncology Day Treatment Centre at Frankston Hospital	x			Impact on relativities
Redevelopment of the Royal Victorian Eye and Ear Hospital*	x	x		No impact on relativities
Upgrade of Ballina Hospital	x		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
<b>Health services</b>				
Canberra Hospital — dedicated paediatric emergency care	x			Impact on relativities
Expansion of the BreastScreen Australia program	x	x	x	Impact on relativities
Health care grants for the Torres Strait*	x	x		No impact on relativities
Hummingbird House	x	x	x	50% Impact
Improving health services in Tasmania*				
Better access to community based palliative care services	x	x		No impact on relativities
Improving patient pathways through clinical and system redesign	x	x	x	No impact on relativities
Innovative flexible funding for mental health	x	x		No impact on relativities
Reducing elective surgery waiting lists in Tasmania	x	x	x	No impact on relativities
Subacute and acute projects		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
	14-15	15-16	16-17	
Mersey Community Hospital*			x	No impact on relativities
Mersey Community Hospital — drug and alcohol residential rehabilitation treatment and palliative care			x	Impact on relativities
National bowel cancer screening	x	x	x	Impact on relativities
National perinatal depression initiative	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	No impact on relativities
Vaccine-preventable diseases surveillance	x	x	x	Impact on relativities
Victorian cytology service*	x	x	x	No impact on relativities
<b>Indigenous health</b>				
Improving trachoma control services for Indigenous Australians	x	x	x	Impact on relativities
Indigenous early childhood development — antenatal and reproductive health	x			Impact on relativities
Northern Territory remote Aboriginal Investment* — health component		x	x	No impact on relativities
Rheumatic fever strategy (former Reducing acute rheumatic heart fever among Indigenous children)	x	x	x	Impact on relativities
Renal dialysis services in Central Australia	x			Impact on relativities
Renal infrastructure in the Northern Territory	x	x	x	Impact on relativities
Stronger futures in the Northern Territory* — Health components	x			No impact on relativities
Torres Strait health protection strategy — Saibai Island Health Clinic		x		Impact on relativities
<b>Mental health</b>				
Supporting National Mental Health Reform	x	x	x	Impact on relativities
<b>Other</b>				
Adult public dental services (former Treating more public dental patients)	x	x	x	Impact on relativities
Essential vaccines (vaccine purchase)	x	x	x	No impact on relativities
National coronial information system	x		x	No impact on relativities
Zika response teams		x		No impact on relativities
<b>EDUCATION</b>				
National schools SPP — Government	x			Impact on relativities
Students First Funding — Government	x	x	x	Impact on relativities
National schools SPP — Non-government#	x			No impact on relativities
Students First Funding — Non-government#	x	x	x	No impact on relativities
<b>National partnership payments</b>				
Helping our kids understand finances — professional learning and MoneySmart schools, MoneySmart teaching	x	x	x	Impact on relativities
Independent Public Schools	x	x	x	Impact on relativities
More support for students with disabilities	x			No impact on relativities
National quality agenda for early childhood education and care	x	x	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
	14-15	15-16	16-17	
National school chaplaincy programme	x	x	x	Impact on relativities
National school for Travelling Show children		x		No impact on relativities
Northern Territory remote Aboriginal Investment* — children and schooling component		x	x	No impact on relativities
Online safety programs in schools		x	x	Government – impact; Non-govt# – no impact
School pathways program	x	x	x	No impact on relativities
School security program		x	x	No impact on relativities
Stronger futures in the Northern Territory* — Schooling components	x			No impact on relativities
Trade training centres in schools	x	x	x	Government – impact; Non-govt# – no impact
Universal access to early education	x	x	x	Impact on relativities
<b>SKILLS AND WORKFORCE DEVELOPMENT SERVICES</b>				
<b>National skills and workforce development SPP</b>	x	x	x	Impact on relativities
<b>National partnership payments</b>				
Building Australia's future workforce — Skills reform	x	x	x	Impact on relativities
Commonwealth/State and Territory joint group training	x	x		Impact on relativities
Industry and Indigenous skills centre	x			No impact on relativities
TAFE fee waivers for childcare qualifications	x	x		No impact on relativities
NSW infrastructure skills centre			x	Impact on relativities
<b>COMMUNITY SERVICES</b>				
<b>National disability SPP</b>	x	x	x	Impact on relativities
<b>Changed roles and responsibilities — adjustment to achieve budget neutrality</b>	x			Exclude the payment, include State payment to Commonwealth for notional costs of delivery services to younger people
<b>National partnership payments</b>				
Transitioning responsibilities for aged care and disability services				
Specialist disability services	x	x	x	No Impact on relativities
Assisting preparation towards the launch of the National disability insurance scheme*	x	x		No Impact on relativities
Family Advocacy and Support Services			x	Impact on relativities
Home and community care	x	x	x	No impact on relativities
Municipal and essential services	x			No impact on relativities
National Occasional Care Programme	x	x	x	No impact on relativities
National outcome standards for perpetrator interventions		x	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
	14-15	15-16	16-17	
Northern Territory remote Aboriginal investment*				
Community safety component		x	x	No impact on relativities
Municipal and essential services component		x		No impact on relativities
Pay equity for the social and community services sector	x	x	x	Impact on relativities
Stronger futures in the Northern Territory* —				
Community services components	x			No impact on relativities
Trial of My Way sites*	x	x	x	No impact on relativities
Women's safety package — technology trials			x	Impact on relativities
<b>AFFORDABLE HOUSING</b>				
National affordable housing SPP	x	x	x	Impact on relativities
<b>National partnership payments</b>				
First home owners boost#	x	x	x	No impact on relativities
Homelessness	x	x	x	Impact on relativities
Northern Territory remote Aboriginal investment* —		x	x	No impact on relativities
remote Australia strategies component				
Remote Indigenous housing	x	x	x	75% impact
Stronger futures in the Northern Territory* — housing	x			No impact on relativities
component				
<b>INFRASTRUCTURE</b>				
<b>National partnership payments</b>				
Bathurst 200 Commemorative Flagstaff##	x			No impact on relativities
Centenary of Canberra 2013* — A gift to the national	x			No impact on relativities
capital				
Centenary of Canberra* — Constitution avenue upgrade		x		No impact on relativities
Infrastructure investment program				
Black spot projects	x	x	x	Impact on relativities
Bridges renewal program		x	x	No impact on relativities
Developing Northern Australia — Northern Australian			x	Impact on relativities
roads				
Heavy vehicle safety and productivity	x	x	x	Impact on relativities
Improving the national network	x	x	x	National network roads
				(NNR) – 50% impact
Investment				
– Rail	x	x	x	National rail network
				(NRN) – 50% impact;
				Non-NRN – impact
– Road	x	x	x	NNR – 50% impact;
				Non-NNR – Impact
Off-network projects##				
– Rail		x	x	States – impact;
				Local – no impact
– Road	x	x	x	States – impact;
				Local – no impact
– Supplementary	x			States – impact;
				Local – no impact
Roads to recovery*,##	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
	14-15	15-16	16-17	
Infrastructure Growth Package — Asset Recycling Fund				
Asset Recycling Initiative*	x	x	x	No impact on relativities
New Investments				
– Road*	x	x	x	State non-NNR – impact; State NNR and roads identified in terms of reference – 50% impact; Local – no impact
– Black spot projects	x	x	x	Impact on relativities
– Roads to recovery*,##	x	x		No impact on relativities
Western Sydney Infrastructure plan*	x	x	x	50% impact
Interstate road transport	x	x	x	Motor tax revenue
Latrobe Valley economic diversification##	x	x		States – impact; Local – no impact
Managed motorways	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			Non-NNR – impact; NNR – 50% impact
– Road*	x	x		Non-NNR – impact; NNR and roads identified in terms of reference – 50% impact
Supporting drought-affected communities program##		x	x	No impact on relativities
Western Australia infrastructure projects*	x	x	x	No impact on relativities
ENVIRONMENT				
National partnership payments				
Assistance for water infrastructure and pest management in drought-affected areas	x	x	x	No impact on relativities
Assistance to farm businesses for water-related infrastructure	x			No impact on relativities
Bushfire mitigation	x	x	x	Impact on relativities
Development of business cases for constraints measures / Water reform — constraint measures##	x	x		No impact on relativities
Environmental management of former Rum Jungle mine site	x	x		No impact on relativities
Established pest and weed management		x	x	Impact on relativities
Great Artesian Basin sustainability initiative	x	x	x	Impact on relativities
Implementation of the National Insurance Affordability Initiative	x		x	No impact on relativities
Implementing water reform in the Murray-Darling basin	x	x	x	No impact on relativities
Management of the world heritage values of the Tasmanian wildness (former Tasmanian wilderness world heritage area)	x	x	x	No Impact on relativities
Mechanical fuel load reduction trials		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
	14-15	15-16	16-17	
Natural disaster resilience#	x	x	x	No impact on relativities
Pest and disease preparedness and response programs — Animal and plant pest disease eradication*	x	x	x	No Impact on relativities
South Australian River Murray Sustainability Program*				
Irrigation efficiency and water purchase	x	x	x	No impact on relativities
Irrigation industry assistance	x	x	x	No impact on relativities
Regional economic development	x	x	x	No impact on relativities
Sustainable Australia — sustainable regional development##	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		States – impact; Local – no impact
Sustainable rural water use and infrastructure##	x	x	x	States – impact; Local – no impact
Water Infrastructure Development Fund — feasibility studies			x	Impact on relativities
Whale and dolphin entanglements	x	x	x	No Impact on relativities
<b>CONTINGENT PAYMENTS</b>				
Hepatitis C settlement fund	x	x		No impact on relativities
Natural disaster relief and recovery arrangements	x	x	x	No impact on relativities
<b>OTHER STATE SERVICES</b>				
<b>National partnership payments</b>				
2014 G20 leaders' summit security	x	x		No impact on relativities
Developing demand-driver infrastructure for the tourism industry	x	x	x	Impact on relativities
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
Legal assistance services	x	x	x	No impact on relativities
National register of foreign ownership of land titles		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
North Queensland Stadium			x	Impact on relativities
Remote Indigenous public internet access (former Indigenous communications — internet access and training)	x			Impact on relativities
Sinking fund on State debt*	x	x	x	No impact on relativities
Tasmanian horticulture market growth		x		Impact on relativities
Tasmanian Regional Tourism infrastructure and Innovation Fund		x		Impact on relativities
Tasmanian tourism growth package			x	Impact on relativities
Tourism demand driver infrastructure recovery package			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
	14-15	15-16	16-17	
<b><i>Commonwealth own-purpose expenses (COPEs) payments to States</i></b>				
Highly specialised drugs	x	x	x	No impact on relativities
Commonwealth grants to Indigenous community health organisations	x	x	x	States – impact; Non-government organisations – no impact
Indigenous advance strategy				
Jobs, land and economy	x	x	x	No impact on relativities
Children schooling	x	x	x	Impact on relativities
Safety and wellbeing	x	x	x	Impact on relativities
Culture and capability	x	x	x	No impact on relativities
Remote Australia strategies	x	x	x	Municipal and essential services – no impact; others – impact
Other COPEs paid to States	x	x	x	No impact on relativities
<b><i>Commonwealth own-purpose expenses payments to non-government organisations</i></b>	x	x	x	No impact on relativities

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 U2018	Treatment in U2018	Reason for 'No impact'
<b>GENERAL REVENUE ASSISTANCE</b>				
GST Payments		2014-15 to 2016-17	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.	2014-15 to 2016-17	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.	2014-15 to 2016-17	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.	2014-15 to 2016-17	Mining revenue and assessed APC	
Snowy Hydro Ltd — company tax compensation	Payments to compensate Victoria and New South Wales for company tax payments by Snowy Hydro Ltd.	2014-15 to 2016-17	Other revenue and assessed EPC	
<b>HEALTH</b>				
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.	2014-15 to 2016-17	Impact	

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

Payment	Program description	Years paid in U2018	Treatment in U2018	Reason for 'No impact'
<b>National Partnership Payments</b>				
<b>National Health Reform</b>				
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>	2014-15	Capital and facilitation funding — impact; Reward payment — no impact	Reward payment — no impact as required by terms of reference
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>	2014-15	Capital and facilitation funding — impact; Reward payment — no impact	Reward payment — no impact as required by terms of reference
<b>Health infrastructure</b>				
Hospital infrastructure and other projects of national significance	Funding to expand and modernise key public hospitals across Australia to improve hospital care.	2014-15 to 2015-16	Impact	
National cancer system	Funding to support infrastructure to deliver a world class cancer care system in Australia.	2014-15 to 2016-17	Impact	

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

Payment	Program description	Years paid in U2018	Treatment in U2018	Reason for 'No impact'
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.	2014-15 to 2016-17	Impact	
Bright Hospital — feasibility study	Payment to Victoria for the study which will examine the feasibility of redeveloping the Bright Hospital.	2014-15 to 2015-16	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 to 2015-16	No impact	Update 2016 Terms of reference requirement
Other Health infrastructure projects	Funding for the following infrastructure projects: <ul style="list-style-type: none"> <li>– Albury-Wodonga Hospital Cardiac Catheterisation Laboratory</li> <li>– Cancer Support Clinic in Katherine</li> <li>– Construction of Palmerston hospital</li> <li>– Improving local access to Healthcare on Phillip Island</li> <li>– Oncology Day Treatment Centre at Frankston Hospital</li> <li>– Upgrade of Ballina Hospital</li> <li>– Upgrade of Casino and District Memorial Hospital</li> <li>– Warrnambool Integrated Cancer Care Centre</li> </ul>	2014-15 to 2016-17	Impact	
<b>Health services</b>				
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 to 2016-17	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.

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

Payment	Program description	Years paid in U2018	Treatment in U2018	Reason for 'No impact'
Improving health services in Tasmania*	Payments to address pressures on the Tasmanian health system and improve healthcare outcomes for Tasmanians. Includes the following components: <ul style="list-style-type: none"> <li>– Better access to community based palliative care services</li> <li>– Improving patient pathways through clinical and system redesign</li> <li>– Innovative flexible funding for mental health</li> <li>– Reducing elective surgery waiting list</li> <li>– Subacute and acute projects</li> </ul>	2014-15 to 2016-17	No impact	2014 Update Terms of reference requirement
Mersey Community Hospital	Payment to Tasmania for funding to support the transfer and operation of the Mersey Community Hospital for the next ten years. Funding will also support the delivery of rehabilitation and palliative care services <ul style="list-style-type: none"> <li>– Mersey community hospital*</li> </ul>	2016-17	No impact	2018 Update Terms of reference requirement
	– Drug and alcohol residential rehabilitation treatment and palliative care services	2016-17	Impact	
Other health services	Consists of payments for: <ul style="list-style-type: none"> <li>– Canberra Hospital – dedicated paediatric emergency care</li> <li>– Expansion of the BreastScreen Australia program</li> <li>– National bowel cancer screening program</li> <li>– National perinatal depression initiative</li> <li>– OzFoodNet</li> <li>– Vaccine-preventable diseases surveillance</li> </ul>	2014-15 to 2016-17	Impact	
	<ul style="list-style-type: none"> <li>– Healthcare grants for the Torres Strait*</li> <li>– Royal Darwin Hospital — equipped, prepared and ready*</li> <li>– Torres Strait health protection strategy — mosquito control</li> <li>– Victorian cytology service*</li> </ul>	2014-15 to 2016-17	No impact	Earlier updates terms of reference requirements
	– Torres Strait health protection strategy — mosquito control	2014-15 to 2016-17	No impact	Needs are not assessed as it supports unique services provided in Queensland

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

Payment	Program description	Years paid in U2018	Treatment in U2018	Reason for 'No impact'
<b>Indigenous health</b>				
Improving trachoma control services for Indigenous Australians	Funding for the continued expansion of trachoma control activities in jurisdictions where trachoma, an infectious disease which can lead to blindness, is endemic. 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.	2014-15 to 2016-17	Impact	
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.	2014-15	Impact	
Northern Territory remote Aboriginal investment* — Health component	Funding to improve health and wellbeing of Indigenous people by supplementing primary health care services in remote Northern Territory communities. This funding includes support for the provision of integrated oral and hearing health services to children in remote communities.	2015-16 to 2016-17	No impact	2016 Update Terms of reference requirement
Rheumatic fever strategy (former 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.	2014-15 to 2016-17	Impact	
Renal dialysis services in Central Australia	Funding to contribute to the delivery of renal dialysis and support service in Central Australia to improve access to renal services to Indigenous Australians.	2014-15	Impact	
Renal infrastructure in the Northern Territory	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 to 2016-17	Impact	
Stronger futures in the Northern Territory* — Health components	Payment for Mobile Outreach service plus — to ensure Aboriginal children and their families living in remote areas of the Northern Territory who are affected by trauma associated with child abuse and neglect are provided with counselling and support.	2014-15	No impact	2014 Update Terms of reference requirement



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

Payment	Program description	Years paid in U2018	Treatment in U2018	Reason for 'No impact'
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.	2015-16	Impact	
<b>Mental health</b>				
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.	2014-15 to 2016-17	Impact	
<b>Other Health National partnership payments</b>				
Adult public dental services (former 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.	2014-15 to 2016-17	Impact	
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.	2014-15 to 2016-17	No impact	Needs are not assessed. The Commonwealth purchase the services from States
National coronial information system	Funding to support the ongoing administration, maintenance and improvement of Australia's national database of coronial data.	2014-15 and 2016-17	No impact	Needs are not assessed. The Commonwealth purchase the services from States
Zika response team	Payment to Queensland to assist in enhancing the ability of the Dengue Action Response Team in Cairns and Townsville to increase surveillance and control in areas at high risk of the exotic mosquitos, <i>Aedes aegypti</i> , spreading the Zika virus in Queensland.	2015-16	No impact	Needs are not assessed. The Commonwealth has paid for the unique services in Queensland to protect all States from the spread of Zika virus

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

Payment	Program description	Years paid in U2018	Treatment in U2018	Reason for 'No impact'
<b>EDUCATION</b>				
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.	2014-15	Government — impact; Non-government# — no impact	Non-government schools — States act as an intermediary and needs are not assessed
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.	2014-15 to 2016-17	Government — impact; Non-government# — no impact	Non-government schools — States act as an intermediary and needs are not assessed
<b>National Partnership Payments</b>				
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.	2014-15 to 2016-17	Impact	
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.	2014-15 to 2016-17	Impact	
More support for students with disabilities	Provision of targeted assistance to teachers and schools to support students with disabilities.	2014-15	No impact	Needs for students with a disability are 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.	2014-15 to 2016-17	Impact	

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

Payment	Program description	Years paid in U2018	Treatment in U2018	Reason for 'No 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 to 2016-17	Impact	
National school for Travelling show children	Payment to New South Wales to support the provision of on-site supervision services for students of the National school for Travelling show children, who receive educational instruction from the Dubbo School of Distance Education. Students are from New South Wales, Victoria and Queensland.	2015-16	No impact	Needs are not assessed. The Commonwealth purchase the services from States
NT remote Aboriginal Investment* — children and schooling component	Payment to Northern Territory to improve school readiness and the literacy and numeracy of remote and very remote Indigenous students in the Northern Territory. The funding aims to improve the attendance, engagement and educational achievement of Indigenous students.	2015-16 to 2016-17	No impact	2016 Update Terms of reference requirement
Online safety programs in schools#	Funding to support the delivery of online safety programs in schools from providers that have been certified by the Children's e-Safety Commissioner.	2015-16 to 2016-17	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.	2014-15 to 2016-17	No impact	Needs are not assessed. The Commonwealth purchase the services from States
Schools security program	Funding 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.	2015-16 to 2016-17	No impact	Needs for this service are not assessed
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.	2014-15	No impact	2014 Update Terms of reference requirement

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

Payment	Program description	Years paid in U2018	Treatment in U2018	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.	2014-15 to 2016-17	Government — impact; Non-government# — no impact	Non-government schools — States act as an intermediary and needs are not assessed
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.	2014-15 to 2016-17	Impact	
<b>SKILLS AND WORKFORCE DEVELOPMENT SERVICES</b>				
National skills and workforce development SPP	Funding to work towards increasing the skill levels of all Australians, including Indigenous Australians.	2014-15 to 2016-17	Impact	
<b>National Partnership Payments</b>				
Building Australia's future workforce — Skills reform	Funding for reforms of the vocational education training (VET) sector. Aims to create: <ul style="list-style-type: none"> <li>– accessible training for working-age Australians and in particular, a more equitable training system, which provides greater opportunities for participating in education and training</li> <li>– a transparent VET sector, which enables better understanding of the VET activity in each State</li> <li>– a higher quality VET sector, which delivers learning experience and qualifications that are relevant to individuals, employers and industry</li> <li>– a more efficient VET sector which is responsive to the needs of students, employers and industry.</li> </ul>	2014-15 to 2016-17	Impact	
Commonwealth/State and Territory joint group training	Funding to support group training organisations to deliver strategies and initiatives to improve Australian apprenticeship commencements and completions.	2014-15 to 2015-16	Impact	
Industry and Indigenous skills centre	Payments 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.	2014-15	No impact	Needs for Industry and/or Indigenous community organisations are 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.	2014-15 to 2015-16	No impact	Needs are not assessed. The Commonwealth purchase the services from States

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

Payment	Program description	Years paid in U2018	Treatment in U2018	Reason for 'No impact'
NSW Infrastructure Skills Centre	Funding for the development of a new facility within the NSW TAFE at Annandale. The facility is intended to provide training in skill areas directly related to a number of major infrastructure projects underway in Sydney.	2016-17	Impact	
<b>COMMUNITY SERVICES</b>				
National disability SPP	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.  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.  Treasury advised the SPP is not provided to States on the basis that any proportion of it should be directed towards 'older people'.	2014-15 to 2016-17	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.	2014-15	Impact  Exclude the payment, include State payments to the Commonwealth for notional costs of delivering service to younger people	
<b>National Partnership Payments</b>				
Transitioning responsibilities for aged care and disability services — 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.	2014-15 to 2016-17	All States — no impact	Needs are not assessed. Disability services for 'Older people' are Commonwealth responsibilities
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).	2014-15 to 2015-16	No impact	2014 Update Terms of reference requirement
Family Advocacy and Support Services	Funding for the establishment and operation of Family Advocacy and Support services by Legal Aid Commissions across Australia	2016-17	Impact	

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

Payment	Program description	Years paid in U2018	Treatment in U2018	Reason for 'No 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.	2014-15 to 2016-17	No impact	Needs are not assessed. Home and community care for 'older people' are Commonwealth responsibilities
Municipal and essential services	Funding 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.	2014-15	No impact	Needs for this service are 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 to 2016-17	No impact	Needs are not assessed. The Commonwealth purchase the services from States
National outcome standards for perpetrator intervention	Funding for effective interventions for perpetrators of domestic, family and sexual violence. The National Partnership supports the development and implementation of a national reporting and accountability framework including performance indicators.	2015-16 to 2016-17	Impact	
Northern Territory remote Aboriginal investment* — Community safety and Municipal and essential services components	Funding to improve community services in the Northern Territory.  Community safety component — funding to support services and initiatives to make communities safer, including those that improve child safety and combat alcohol abuse.  Municipal and essential services component — funding to assist the Northern Territory to take responsibility for the ongoing delivery of municipal and essential services in Indigenous communities.	2015-16 to 2016-17  2015-16	No impact  No impact	2016 Update Terms of reference requirement  2016 Update Terms of reference requirement
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.	2014-15 to 2016-17	Impact	

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

Payment	Program description	Years paid in U2018	Treatment in U2018	Reason for 'No impact'
Stronger futures in the Northern Territory* — community services components	<p>Payments include:</p> <ul style="list-style-type: none"> <li>– 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.</li> <li>– 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.</li> <li>– Community safety and justice — funding for remote policing, community night patrols and legal assistance services.</li> <li>– 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.</li> <li>– 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.</li> <li>– Tackling alcohol abuse — to continue alcohol restrictions, licensing compliance and the development of alcohol management plans in communities.</li> </ul>	2014-15	No impact	2014 Update 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 to 2016-17	No impact	2014 Update Terms of reference requirement
Women's Safety Package — Technology trails	Funding to support a series of trails to test new technologies or innovative uses of existing technologies to improve the safety of women and children affected by family and domestic violence.	2016-17	Impact	

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

Payment	Program description	Years paid in U2018	Treatment in U2018	Reason for 'No impact'
<b>AFFORDABLE HOUSING</b>				
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.	2014-15 to 2016-17	Impact	
<b>National Partnership Payments</b>				
First Home Owners Boost <sup>#</sup>	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.	2014-15 to 2016-17	No impact	Needs are not assessed. The Commonwealth purchase the services from States
Homelessness	Funding 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"> <li>– implementation of the A Place Called Home initiative (building new homes for individuals and families experiencing homelessness)</li> <li>– street to home initiatives for chronic homeless people (rough sleepers)</li> <li>– support to private and public tenants to help sustain their tenancies, including through tenancy support, advocacy, case management, financial counselling and referred services</li> <li>– assistance for people leaving child protection services, correctional and health facilities, to access and maintain stable, affordable housing.</li> </ul> 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.	2014-15 to 2016-17	Impact	
Northern Territory remote Aboriginal investment* — Remote Australian strategies component	Funding to the Northern Territory to improve public housing in remote communities by investing in housing works including upgrading, new houses or housing related infrastructure. It will also fund the removal of asbestos from community buildings in remote communities and a sustainable, professional and accredited Aboriginal interpreter service.	2015-16 to 2016-17	No impact	2016 Update Terms of reference requirement



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

Payment	Program description	Years paid in U2018	Treatment in U2018	Reason for 'No impact'
Remote Indigenous Housing	Funding 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.	2014-15 to 2016-17	75% Impact 25% No impact	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 and needs are not assessed
Stronger futures in the Northern Territory* — housing	Funding to support the provision of safe and healthy houses for Indigenous Australians. This includes funding towards asbestos removal in homes and other buildings.	2014-15	No impact	2014 Update Terms of reference requirement
<b>INFRASTRUCTURE</b>				
<b>National Partnership Payments</b>				
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	Needs for local government are not assessed
Centenary of Canberra 2013* — A gift to the national capital	Payment to the ACT to commemorate the Centenary of Canberra in 2013 and the development of the National Arboretum Canberra.	2014-15	No impact	2013 Update Terms of reference requirement
Centenary of Canberra* — Constitution avenue upgrade	Payments to the ACT for the redevelopment of Constitution Avenue.	2015-16	No impact	2013 Update Terms of reference requirement

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

Payment	Program description	Years paid in U2018	Treatment in U2018	Reason for 'No impact'
Infrastructure Investment program	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. (NNR — National network roads, NRN — National rail network)			
	Black spot projects — To improve the safety of road sites which have been identified as high risk areas for serious crashes.	2014-15 to 2016-17	Impact	
	Bridges renewal program — To upgrade bridges across the nation. This fund will renew and replace bridges to contribute to the productivity of bridges serving local communities and facilitate higher productivity vehicle access.	2015-16 to 2016-17	No impact	Needs for bridges cannot be assessed reliably
	Developing Northern Australia — Northern Australian roads. This funding will provide incentives for private sector investment to improve road network and transport logistics in Northern Australia. This funding has two components: — improving cattle supply chain — Northern Australia Roads.	2016-17	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.	2014-15 to 2016-17	Impact	
	Improving the national network — The Commonwealth is contributing to the safety and productivity of heavy vehicles by providing funding for projects that improve the safety of the road environment, enhance the capacity of existing roads and improve connections to freight networks.	2014-15 to 2016-17	NNRs — 50% impact; 50% no 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.			

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

Payment	Program description	Years paid in U2018	Treatment in U2018	Reason for 'No impact'
Infrastructure Investment program (continued)	– Investment — Rail	2014-15 to 2016-17	Non-NRNs — impact; NRN — 50% impact	50% NRN investment — assessment may not capture all non-policy influences
	– Investment — Road*,## (some payments were made to local government)	2014-15 to 2016-17	NNRs — 50% impact; 50% no impact local government — no impact	50% NNR investment — assessment may not capture all non-policy influences Needs for local government are not assessed Some roads are treated 50% no impact as required by terms of reference
	– Investment — Supplementary##	2014-15	No impact	Needs for local government are not assessed
	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	2015-16 to 2016-17	Impact	
	– Road## – Supplementary## (some payments were made to local government)	2014-15 to 2016-17 2014-15	States — Impact; local government — no impact	Needs for local government are not assessed
	Roads to recovery*,## (paid to, through the States or direct to LG)	2014-15 to 2016-17	No impact	2005 Update Terms of reference requirement

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

Payment	Program description	Years paid in U2018	Treatment in U2018	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*.	2014-15 to 2016-17	No impact	2015 Review Supplementary Terms of reference requirement
	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.			
	Asset Recycling Fund — New investments*.	2014-15 to 2016-17	State non-NNR — impact;	50% NNR investment — assessment may not capture all non-policy influences
	Additional funding to expedite investment in high quality economic infrastructure. This includes funding for significant road projects, the National Highway Upgrade Program, funding for <i>Black spot projects</i> , and <i>Roads to Recovery</i> . It includes payments direct to local governments.		State NNR and roads identified in terms of reference — 50% impact;	Some roads are treated 50% no impact as required by terms of reference
	Projects include WestConnex in New South Wales, 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 2015 Review Supplementary terms of reference ask the Commission apply a 50% discount to payments for these projects.		Local government — no impact;	Local government — needs not assessed
			Black spot — impact;	Roads to recovery — 2005 Update Terms of reference requirement
			Roads to recovery — no impact	
	Asset Recycling Fund — Western Sydney Infrastructure Plan*.	2014-15 to 2016-17	50% impact	2015 Review Supplementary Terms of reference requirement
	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.			
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.	2014-15 to 2016-17	Assessed as motor tax revenue	

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

Payment	Program description	Years paid in U2018	Treatment in U2018	Reason for 'No impact'
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	2014-15 to 2015-16	Warragul Station — impact Moe Rail Precinct — no impact	Needs for local government are 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.	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.	2014-15 to 2015-16	Impact	
Nation building plan for the future	Funding to support future economic growth by improving the quality and efficiency of Australia's transport networks. There are two components.			
	Building Australia Fund — Rail	2014-15	Non-NRN — impact; NRN — 50% impact	50% NRN investment — assessment may not capture all non-policy influences
	Building Australia Fund — Roads*	2014-15 to 2015-16	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
Supporting drought-affected communities program## (partial paid direct to LG)	Funding to drought-declared local government areas for infrastructure projects that provide employment for people whose work opportunities have been impacted by drought. Projects include those that will stimulate local community spending, use local resources, business and supplies, or provide long-lasting benefits to communities and the agricultural industries.	2015-16 to 2016-17	No impact	Needs for drought affected regions are not assessed  Needs for local government are not assessed
Western Australia infrastructure projects*	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 to 2016-17	No impact	2016 Update Terms of reference requirement

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

Payment	Program description	Years paid in U2018	Treatment in U2018	Reason for 'No impact'
<b>ENVIRONMENT</b>				
<b>National Partnership Payments</b>				
Assistance for water infrastructure and pest management in drought-affected areas	Payments 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.	2014-15 to 2016-17	No impact	Needs for drought-affected areas are not assessed
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.	2014-15	No impact	Needs for drought-affected areas are 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 to 2016-17	Impact	
Development of business cases for constraints measures (former Water reform — constraints measures)	Under the Intergovernmental Agreement on Implementing Water Reform in the Murray-Darling Basin, the Commonwealth is making payments to the States to address physical, institutional and operational constraints that limit the delivery of environmental water to the environmental assets of the Murray-Darling Basin. There are three phases: <ul style="list-style-type: none"> <li>– feasibility studies</li> <li>– business cases</li> <li>– confirmation of the projects</li> </ul> This payment is for phase 2. It supports the development of business cases that will form the basis of advice for due diligence and executive decision making on investments.	2014-15 to 2015-16	No impact	This payment is part of the Intergovernmental Agreement on implementing Water Reform in the Murray-Darling Basin which relates to the protection of environment and needs are not assessed
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.	2014-15 to 2015-16	No impact	Needs for the protection of environment are not assessed

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

Payment	Program description	Years paid in U2018	Treatment in U2018	Reason for 'No impact'
Established pest and weed management	Funding to support delivery of projects to build the skills and capacity of landholders, the community and industry in managing common established pest animals and weeds.	2015-16 to 2016-17	Impact	
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.	2014-15 to 2016-17	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 and 2016-17	No impact	Needs for the protection of environment are 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.	2014-15 to 2016-17	No impact	Needs for the protection of environment are not assessed
Management of the world heritage values of the Tasmania wilderness (former Tasmanian Wilderness World Heritage Area)	<p>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</p> <ul style="list-style-type: none"> <li>– deliver its ongoing responsibilities to manage the World Heritage values of the 2013 extension to the Tasmanian Wilderness World Heritage Area</li> <li>– 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'.</li> </ul>	2014-15 to 2016-17	No impact	Needs are not assessed. The Commonwealth purchase the services from States
Mechanical fuel load and reduction trials	Payment to New South Wales to undertake a research trial that examines the effectiveness of mechanical fuel removal in forests where conservation values could be compromised by fuel reduction burning.	2015-16	No impact	Needs are not assessed. The Commonwealth purchased this service from New South Wales

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

Payment	Program description	Years paid in U2018	Treatment in U2018	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.	2014-15 to 2016-17	No impact	Needs for local government and non-government organisations are not assessed
Pest and disease preparedness and response programs — Animal and plant pest disease eradication*	Funding to eradicate exotic animal and plant pests and diseases, which if allowed establishing and spreading, would have serious economic and environmental impacts.	2014-15 to 2016-17	No impact	Part of the Caring for our Country program which was quarantined by the 2009 Update terms of reference
South Australian River Murray Sustainability program*	Comprised of: <ul style="list-style-type: none"> <li>— Irrigation efficiency and water purchase. Funding to support more efficient delivery and use of water by irrigation water providers and irrigators.</li> <li>— Irrigation industry assistance. Funding to help improve productivity of the South Australian River Murray industry.</li> <li>— Regional economic development. Funding for the redevelopment of the Loxton Research Centre, a program of industry-led research, and a regional development and innovation program.</li> </ul>	2014-15 to 2016-17	No impact	2014 Update Terms of reference requirement
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.	2014-15	No impact	Needs for local government are not assessed
<b>Water for the Future</b>				
National Urban Water and Desalination Plan## (partial paid direct to LG)	Funding for 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. It is included in the Water Reform payment in 2016-17	2014-15 to 2016-17	States — Impact; local government — no impact	Needs for local government are not assessed



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

Payment	Program description	Years paid in U2018	Treatment in U2018	Reason for 'No impact'
National Water Security Plan for Cities and Towns## (partial paid direct to LG)	Payment 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.	2014-15 to 2015-16	States — Impact; local government — no impact	Needs for local government are not assessed
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.	2014-15 to 2016-17	States — Impact; local government — no impact	Needs for local government are not assessed
Water Infrastructure Development Fund — feasibility studies	Funding to support delivery of feasibility studies that inform investment decisions on water infrastructure.	2016-17	Impact	
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 to 2016-17	No impact	Needs for national parks and wildlife services are not assessed
<b>CONTINGENT PAYMENTS</b>				
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.	2014-15 to 2015-16	No impact	Needs are not assessed. The Commonwealth purchase the services from States
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.	2014-15 to 2016-17	No impact	Needs are not assessed. The Commonwealth purchase the services from States
<b>OTHER STATE SERVICES</b>				
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.	2014-15 to 2015-16	No impact	Needs are not assessed. The Commonwealth purchase the services from States

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

Payment	Program description	Years paid in U2018	Treatment in U2018	Reason for 'No impact'
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 to 2016-17	Impact	
Financial assistance grants to local government <sup>#</sup>	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.	2014-15 to 2016-17	No impact	Needs for local government are not assessed
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.	2014-15 to 2016-17	No impact	Needs are not assessed. The Commonwealth purchase the services from States
National register of foreign ownership of land titles	Funding to support the delivery of the National Register of Foreign Ownership of Land Title by helping the States develop systems that will enable data on sales and transfers of real property involving foreign owners to be provided to the Australian Taxation Office.	2015-16 to 2016-17	No impact	Needs are not assessed. The Commonwealth purchase the services from States
Port Arthur Penitentiary restoration	Payment to support conservation works on the Port 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.	2014-15 to 2016-17	No impact	Needs are not assessed. The Commonwealth purchase the services from States
North Queensland Stadium	Funding to support the delivery of the North Queensland Stadium including site master planning and services infrastructure within the stadium site to allow for future entertainment centre.	2016-17	Impact	
Remote Indigenous public internet access	Funding to improve public internet access facilities and provide related computer training to remote Indigenous communities.	2014-15	Impact	
Sinking fund on State debt <sup>*</sup>	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.	2014-15 to 2016-17	No impact	2009 Update Terms of reference requirement

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

Payment	Program description	Years paid in U2018	Treatment in U2018	Reason for 'No impact'
Tasmanian horticulture market growth	Funding to support the engagement of a Tasmania-based horticulture market growth facilitator to collate information and identify opportunities for growth in exports of Tasmanian fruit and vegetable products.	2015-16	Impact	
Tasmanian regional tourism infrastructure and innovation fund	Funding projects that create and support tourism infrastructure across Tasmania, contributing to <i>Tasmania's Tourism 2020</i> outcomes. The funding will be directed towards Tasmanian business that rely on and contribute to tourism, which allow them to build or expand on existing attractions to increase the number of visitors to the area.	2015-16	Impact	
Tasmanian tourism growth package	Payment to support the delivery of feasibility studies for three tourism ventures to boost Tasmania's tourism industry.	2016-17	Impact	
Tourism demand-driver infrastructure recovery package	Payment to support projects that deliver additional tourism demand-driver infrastructure in affected tourism regions of Queensland as part of a recovery package to address the impacts of Tropical Cyclone Debbie.	2016-17	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 U2018	Treatment in U2018	Reason for 'No impact'
Highly specialised drugs	Funding 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.	2014-15 to 2016-17	No impact	Needs are not assessed. The Commonwealth purchase the services from States
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).	2014-15 to 2016-17	Payment to State general government sector — Impact; payments to NGOs — no impact	Needs not assessed. Payments to NGOs are used for the <i>non-State</i> sector adjustment for community health assessment
<b>INDIGENOUS ADVANCE STRATEGY</b>				
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 to 2016-17	No impact	Needs not assessed
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 to 2016-17	Impact	
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 to 2016-17	Impact	
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 to 2016-17	No impact	Needs not assessed

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

Payment	Program description	Years paid in U2018	Treatment in U2018	Reason for 'No impact'
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 to 2016-17	Municipal and essential services component — no impact; others impact	Needs for essential services are not assessed
<b>All OTHER COPEs</b>				
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.			