

## APPENDIX E: APPROPRIATIONS AND CONDITIONS

Agreements underpinning Commonwealth-State payments are available at: [www.federalfinancialrelations.gov.au](http://www.federalfinancialrelations.gov.au). All legislation and legislative instruments are available at: [www.legislation.gov.au](http://www.legislation.gov.au).

**Table E.1: Appropriation mechanisms and terms and conditions for State payments**

Payment type	Appropriation mechanism	Terms and conditions
National Partnerships	The <i>Federal Financial Relations Act 2009</i> (FFR Act, s 16) allows the Treasurer to make a determination crediting amounts to the COAG Reform Fund for the purpose of making these payments. The <i>COAG Reform Fund Act 2008</i> (s 6) and the <i>Public Governance, Performance and Accountability Act 2013</i> (s 80) provide the appropriation for these amounts.	The <i>COAG Reform Fund Act 2008</i> (s 7) provides that the terms and conditions for National Partnership payments must be set out in a written agreement between the Commonwealth and the recipient State. Agreements are signed either at First Minister or portfolio minister level.
National Specific Purpose Payments	National SPPs are made under the FFR Act (s 22). Monthly advance payments throughout the year are made under s 17.	Terms and conditions are set out in the Intergovernmental Agreement on Federal Financial Relations (IGA). Related commitments appear in National Agreements, signed at First Minister level.
National Health Reform	National Health Reform (NHR) payments are made under the FFR Act (s 22). Monthly advance payments throughout the year are made under s 17.	The statutory framework for NHR payments is set out in the <i>National Health Reform Act 2011</i> . Terms and conditions are set out in the National Health Reform Agreement.
Quality Schools	Payments of recurrent funding are made under the <i>Australian Education Act 2013</i> (s X). Special circumstances funding (s 69), prescribed circumstances funding (s 69A) and funding for non-government representative bodies (s 70) are also made under that Act, through ministerial determinations.	Terms and conditions are set out in the <i>Australian Education Act 2013</i> and the <i>Australian Education Regulation 2013</i> .
Development of Business Cases for Constraints Measures	Payments are made under the <i>Water Act 2007</i> ((s 86AD), through the Water for the Environment Special Account.	Under <i>Water Act 2007</i> s 86AF, terms and conditions are set out in a ministerial-level funding agreement between the Commonwealth and relevant States.

<b>Payment type</b>	<b>Appropriation mechanism</b>	<b>Terms and conditions</b>
Sustainable Rural Water Use and Infrastructure	Payments are made under <i>Federal Financial Relations Act 2009</i> and <i>COAG Reform Fund Act 2008</i> .	Terms and conditions are set out in ministerial-level Water Management Partnership Agreements formed under the Intergovernmental Agreement on Murray-Darling Basin Reform (July 2008), available at <a href="http://www.agriculture.gov.au/water/policy/partnership-agreements">www.agriculture.gov.au/water/policy/partnership-agreements</a> and other Agreements listed on the Council of Federal Financial Relations website <a href="http://www.federalfinancialrelations.gov.au/content/npa/environment.aspx">www.federalfinancialrelations.gov.au/content/npa/environment.aspx</a> , including Implementing Water Reform in the Murray-Darling Basin, Tasmania Irrigation and Water For the Future NPA.
Financial Assistance Grants	Payments are made under the <i>Local Government (Financial Assistance) Act 1995</i> (s 19).	Funding under the Financial Assistance Grant programme is allocated in accordance with national principles (s 6, <i>Local Government (Financial Assistance) Act 1995</i> ), and available at <a href="http://regional.gov.au/local">http://regional.gov.au/local</a> .
Sinking Fund on State Debt	Payments are made under the <i>Financial Agreement Act 1994</i> (FAA Act)(s 5).	The method and rate for determining the value of annual Commonwealth contributions to the Debt Retirement Reserve Trust Account are prescribed in the Schedule to the FAA Act.
Payments under Appropriation Acts	Some payments for schools, Roads to Recovery and Supporting Drought-affected Communities are made under Appropriation Act No. 2 and Appropriation Act No. 4.	Terms and conditions are set out in ministerial determinations under the Australian Education Act, the Roads to Recovery Funding Conditions 2014, and Grant Program Guidelines for the Drought Communities Program.
GST payments	Payments are made under the FFR Act (s 22). Monthly advance payments throughout the year are made under s 17.	Further provisions governing GST payments appear in <i>A New Tax System (Managing the GST Rate and Base) Act 1999</i> .
Other general revenue assistance	Payments are made under the FFR Act (s 22), through a determination by the Treasurer (s 9).	Terms and conditions are set out in Schedule D to the IGA.