

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Mr Guyula to the Treasurer:

Commonwealth Grants for Indigenous Disadvantage

Please provide figures for this financial year and the past financial year for all Commonwealth grants related to Indigenous Disadvantage and provide figures for exactly how these grants were distributed by Government Departments?

Answer:

- While the Territory Government raises revenue through its own sources (e.g. taxes, royalties, fees and charges), it is heavily reliant on Commonwealth funding to support the delivery of infrastructure and services. Commonwealth funding comes in the form of tied and untied grants.
- Tied Commonwealth funding (25 per cent of total revenue in 2019-20) is provided through specific purpose payments, national partnership agreements and other major funding arrangements. Tied funding can also be provided outside these arrangements through Commonwealth own-purpose expenses. It is estimated that the Territory will receive around \$1.5 billion in tied Commonwealth funding in 2018-19, and around \$1.4 billion in 2019-20.
- Tied funding is required to be spent in the relevant service delivery sector, for example, hospitals and schools, or on specific programs. While the majority of tied funding supports the delivery of mainstream services, which are used by Indigenous and non-Indigenous Territorians, tied funding for Indigenous specific programs include:
 - the National Partnership on Northern Territory Remote Aboriginal Investment
 - the National Partnership for Remote Housing Northern Territory
 - the Project Agreement on Rheumatic Fever Strategy
 - the Project Agreement on Improving Trachoma Control for Indigenous Australians.
- Tied funding agreements set out the responsibilities of state and territory governments, project milestones and reporting arrangements (by relevant agencies). Copies of agreements are published on the Council of Federal Financial Relations website (<http://federalfinancialrelations.gov.au/content/npa/>), and assessments of progress for significant national partnerships are reported through the Council of Australian Governments Performance Dashboard (<https://www.coag.gov.au/performance-reporting>). For further information refer to relevant government department annual reports.

Table: Estimated Indigenous-specific and total tied funding

Agreement	2018-19 \$M	2019-20 \$M
Remote Aboriginal Investment	217.6	91.0
Remote Housing	145.5	135.0
Improving Trachoma Control	1.8	1.9
Rheumatic Fever Strategy	0.9	0.9
Total Tied Funding Payments*	1 515.2	1 371.8

* Includes all specific purpose and national partnership payments, covering health, education, community services, housing, skills/workforce, environment, infrastructure and other specific financial assistance.

- Untied Commonwealth funding (42 per cent of total revenue in 2019-20) comprises primarily GST revenue, but also includes additional financial assistance (under the GST top-up guarantee) and grants in lieu of uranium royalties. It is estimated that the Territory will have received around \$2.7 billion in untied Commonwealth funding in 2018-19, and expects around \$3 billion in 2019-20.
- In accordance with clause 25 of the Intergovernmental Agreement on Federal Financial Relations, which states that '*GST payments will be freely available for use by the States and Territories for any purpose*', the Territory, as a sovereign government, is able to determine how to spend this funding, doing so in accordance with its own specific priorities. However, it is noted that in recent years there has been an erosion in states and territories' sovereignty with the Commonwealth imposing co-funding and specified budget effort in several of its funding agreements, for example, requirements relating to roads projects.
- A national Indigenous Expenditure Report (IER) has been published on four occasions, with the most recent report published in 2017 (for expenditure in 2015-16). The IER provides estimates of the levels of government expenditure on services relating to Indigenous Australians, distinguishing between Indigenous specific expenditure and mainstream expenditure. The 2017 report and detailed data is available at <https://www.pc.gov.au/research/ongoing/indigenous-expenditure-report>.
- The 2017 IER shows that the Indigenous expenditure share as a proportion of total Territory government expenditure was 53 per cent in 2015-16, a level consistent with previous reports. The IER also shows that Indigenous expenditure in per capita terms in the Territory remains higher than in any other jurisdiction.