

Northern Territory  
Response to the  
Commonwealth Grants  
Commission -  
New Issues for the 2019 Update  
Paper  
**November 2018**

The Northern Territory's response to the Commonwealth Grants Commission's 2019 Update – *New Issues for the 2019 Update Staff Discussion Paper CGC 2018-04-S*, can be found below.

The Northern Territory supports all recommendations in relation to the following issues:

- the mining revenue assessment, natural disaster relief expenses and welfare assessment – treatment of National Disability Insurance Scheme related payments
- use of 2016 Census data, noting the Commission will continue to use the approach for the Indigenous population estimates used in the 2018 Update
- sale of Snowy Hydro Limited to the Commonwealth.

The Northern Territory notes that:

- given the Commission is unable to use Australian Bureau of Statistics (ABS) remapped AGFS15 data for 2015-16 and 2016-17, Commission staff propose to use AGFS05 data provided by the ABS for the 2015-16 and 2016-17 assessment years, and AGFS15 data provided by the states for the 2017-18 assessment year. The Northern Territory anticipates that future updates will use AGFS15 data across all assessment years.
- Commission staff propose to cease sending the preliminary adjusted budget to the states for comment, usually provided before the final publication of each update. The Northern Territory considers the proposed timing to cease providing the adjusted budget, which aligns with the transition to AGFS15 data, inappropriate. Given two datasets will be utilised in the 2019 Update, states should maintain the ability to comment on the preliminary adjusted budget.
- the Commonwealth Assistance to the Northern Territory payment in 2017-18 is expected to be quarantined in the 2019 Update Terms of Reference (ToR), in line with the agreed conditions in relation to the payment.

In addition, while not detailed in the 2019 Update New Issues paper:

- the Commonwealth 2018-19 Budget committed funding to the Northern Territory from 2018-19 under the National Partnership for Remote Housing, aimed at addressing overcrowding, homelessness, poor housing conditions and severe housing shortages. The Northern Territory understands that, through the 2019 Update ToR, the Commission will be directed to exclude the payments for remote Indigenous housing from its GST calculation. Given this funding, and its anticipated treatment by the Commission, is a major change in federal financial relations, the Northern Territory expects that the principle of backcasting will apply, with Commonwealth funding for remote Indigenous housing across each of the 2019 Update assessment years having no impact on relativities.