

# New Issues in the 2024 Update

Northern Territory Submission



Acronyms	Full form
ABS	Australian Bureau of Statistics
CGC	Commonwealth Grants Commission

Contents

1. 2021 Census Data .....4

1.1. General data updates .....4

1.2. 2021 Census - Justice data .....4

1.3. Other data issues.....4

1.3.1. Transport..... 4

1.3.2. Payroll Tax..... 5

1.3.3. National Capital..... 5

1.3.4. Mining Revenue ..... 5

2. New Commonwealth Payments .....5

# 1. 2021 Census Data

## 1.1. General data updates

The Commonwealth Grants Commission (CGC) notes that the 2024 Update will include a substantial amount of new and updated data from the 2021 Census. The Territory supports the use of updated data, consistent with usual methods and the principle of contemporaneity.

In respect of the specific Census data issues raised by the CGC, the Territory provides the below comments.

- **Indigenous population.** The CGC advises that Indigenous sub-state disaggregated population data are available and will be used in the 2024 Update. However, revised Indigenous population projections are not yet available. Accordingly, the CGC will use 2016 projections, adjusted by the ratio between actual and projected populations. The Territory supports this approach.
- **Remoteness and socio-economic status.** The CGC has stated that updated data will now allow the use of separated Indigenous Socio-Economic Outcomes index and Non-Indigenous Socio-Economic Index for Areas, rather than the combined Socio-Economic Indexes for Areas, for the health non-state sector adjustment. The Territory supports the use of these indices.
- **Discrete Indigenous communities.** The CGC notes that updated community data will be based on 2021 Census population count data, reconciled to the Statistical Area 3 level. The Territory requests a list of changes if there have been any new, or ceased, discrete Indigenous communities. However, the methodology appears sound and is supported.
- **Geography.** The CGC has provided a list of changes to Significant Urban Areas. This impacts the Urban Roads assessment. The Territory notes the advice.

The CGC advises it does not propose to re-estimate its rural road network assessment in the 2024 Update to reflect the new areas or population data. The Territory agrees. Any changes to the assessed rural road network is a major undertaking and is more appropriately considered in the 2025 Review.

## 1.2. 2021 Census - Justice data

The CGC advise that it does not intend to use 2021 Census Indigenous population the 2024 Update Justice assessment. This is because Justice 'use rates' data (i.e. offender, proceeding and defendant) are based on 2015-17 populations, which have a different demographic profile to 2021 Census Indigenous population data due to significant inter-censal non-demographic growth.

The Territory agrees. The majority of inter-censal Indigenous population growth was non-demographic, and the non-demographic growth was unevenly distributed between areas. This means it is not reasonable to assume that 2021 population data will have the same Justice profile as the 2015-17 data. The Territory supports continuing methods based on 2016 data until the 2025 Review.

## 1.3. Other data issues

### 1.3.1. Transport

The Territory notes and supports the CGC's position for the various Urban Transport data updates.

### 1.3.2. Payroll Tax

The Territory broadly agrees with the Commission's proposed approach to use Australian Bureau of Statistics (ABS) single-touch payroll data to estimate non-taxable Defence wages instead of a separate adjustment. The change arises as single-touch payroll data will now allow Defence wages to be included in the adjustments for non-taxable public sector wages, instead of requiring a separate adjustment. The change is also necessary due to the cessation of an ABS survey.

The Territory agrees the change appears methodically reasonable and in line with the usual terms of reference in an update year to respond to data issues. However, the ABS single touch payroll dataset is described as experimental. On current information, the Territory is not able to assess whether the new data produces similar results to current assessments, and in particular, what impact the new data may have on a jurisdiction's overall taxable portion of public sector wages. In the event there are significant unexpected changes to a jurisdiction's taxable public sector wages, the approach may warrant revisiting, possibly as part of the 2025 Review.

### 1.3.3. National Capital

The Territory supports cessation of the National Capital assessment if it becomes negative on the basis that there is not a strong conceptual case for a negative assessment. The Territory does not consider this a method change, rather a clarification of current methods as the 2020 Review did not contemplate a negative National Capital assessment.

### 1.3.4. Mining Revenue

The Territory supports a separate assessment of nickel if it is material, consistent with the 2020 Review methods. The Territory was not a nickel producer in the 2024 Update period and is not expected to be in the near-term.

## 2. New Commonwealth Payments

The Territory supports the CGC's draft classification of new Commonwealth payments and strongly supports the treatment and rationale for the *Housing and essential services on Northern Territory Homelands* agreement.