

**Northern Territory
Submission to the
Commonwealth Grants
Commission –
New Issues for the 2020
Review Paper
October 2019**

- 1.1 The Northern Territory supports the following proposals from the Commonwealth Grants Commission's *New Issues for the 2020 Review Staff Discussion Paper CGC 2019-01-S*:
- To assess the National Disability Specific Purpose Payment on an equal per capita basis, given jurisdictions will have largely completed their transition to the National Disability Insurance Scheme in the application year.
 - To not backcast any Commonwealth payments commencing in 2019-20 or 2020-21, as the payments identified in the staff discussion paper do not represent major changes in federal financial arrangements.
- 1.2 The Northern Territory generally supports the proposed treatment of Commonwealth payments that commenced in 2018-19, as specified in Table A-1 of the staff discussion paper. While the Commission intends to treat 50 per cent of national network roads (NNR) payments, which fall under the Infrastructure Investment Program – Roads of Strategic Importance initiative, as having no impact on state fiscal capacities, this should be subject to the outcomes of the final report.
- 1.3 The Northern Territory's position, as expressed in previous submissions to the 2020 Methodology Review, is that all NNR funding should impact state fiscal capacities, with failure to do so resulting in a departure from the principle of horizontal fiscal equalisation (HFE).
- 1.4 The Northern Territory notes that GST transitional support and top-up payments relating to the Commonwealth's HFE reform package will be treated as having no impact on state fiscal capacities, as directed under the Terms of Reference for the 2019 Update.