



1983-84

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

NORTHERN TERRITORY GRANT (SPECIAL ASSISTANCE) BILL 1983

EXPLANATORY MEMORANDUM

(Circulated by Authority of the Treasurer, the Hon Paul Keating, MP)

NORTHERN TERRITORY GRANT (SPECIAL ASSISTANCE) BILL 1983

GENERAL OUTLINE AND PURPOSE OF BILL

The purpose of the Bill is to appropriate funds from Consolidated Revenue to enable payment of a special grant of \$16.9 million to the Northern Territory in 1983-84.

Financial arrangements between the Commonwealth and the Northern Territory are based on the Memorandum of Understanding in Respect of Financial Arrangements between the Commonwealth and a Self-governing Northern Territory which was agreed between the two Governments in 1978. The Memorandum provides, inter alia, that the Territory shall, in each year, up to and including 1984-85, receive either an additional grant or a special assistance grant, whichever is greater.

The Memorandum specifies the value of the additional assistance grant as \$20 million in each of the years 1979-80, 1980-81 and 1981-82; thereafter reducing by \$5 million each year until it is completely phased out by 1985-86. Between 1979-80 and 1982-83 inclusive, the Territory has received the additional assistance grant.

The Territory is eligible to apply for a special grant on the recommendation of the Commonwealth Grants Commission. The purpose of the special grant is to enable the Territory to function, by reasonable effort, at standards of government services not appreciably below the standards of the States. In assessing an application for a special grant in respect of a year, the Commission is required to disregard the additional assistance grant.

The Territory applied for a special assistance grant for 1981-82 and the Commission has presented its report recommending a special grant for the Territory of \$16.9 million in respect of that year. The Memorandum specifies that, for the purposes of choosing which of the two grants is to be paid in any year, the recommended special grant is to be compared with the additional assistance grant specified for the year in which the recommendation is made.

As the additional assistance grant specified for 1983-84 is \$10 million, the Memorandum requires that the Territory receive the special grant this financial year.

NOTES ON CLAUSES

Clause 1 - Short title

Self-explanatory

Clause 2 - Commencement

Self-explanatory

Clause 3 - Payment of financial assistance

This section specifies that a grant of \$16.9 million is payable to the Northern Territory in 1983-84, with the timing and amount of individual payments subject to the Treasurer's approval.

Clause 4 - Appropriation

Funds for the payments are to be drawn from the Consolidated Revenue Fund.