



Northern Territory cash shuffle sees \$2bn taken from indigenous aid



NT Chief Minister Michael Gunner. Picture: Nathan Edwards

- *The Australian*
- February 28, 2018
- Stephen Fitzpatrick

Successive Northern Territory governments have redirected more than \$2 billion in GST intended to address remote and indigenous disadvantage, prompting new calls for urgent reform in the wake of shocking child abuse revelations in Tennant Creek.

Since the tax began operating in 1999, the NT has received \$6.4bn in GST for welfare, housing, family and children's needs, based on the Commonwealth Grants Commission's remote and indigenous criteria.

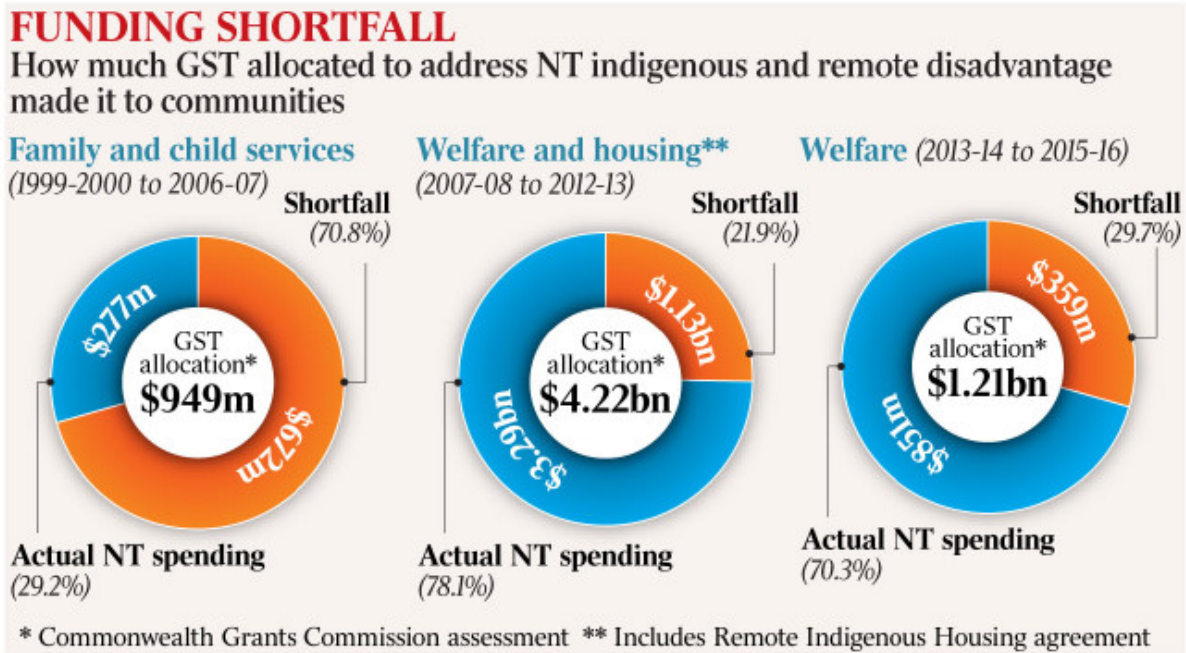
However, because the grants are not tied, just \$4.2bn of this has gone to those categories, analysis of the commission's figures shows, with a large part of the rest ending in consolidated revenue.

Aborigines make up 30 per cent of the Territory's 245,000 population, with about 80 per cent of these living in remote and very remote areas, according to the government.

The Northern Territory was allocated \$73 million from the first year of GST, but spent just \$24m on family and child services — the category in which a significant amount of indigenous disadvantage would be likely to be addressed, though not the only one.

In successive years the total allocation rose in real terms but so did the underspend, peaking after eight years at \$126m siphoned off: in 2006-07 just \$43m, or 24 per cent, of a total allocation of \$179m went to family and child services.

Assessing the figures is complicated by the fact NT governments have imposed a series of changes of reporting categories in the area over almost two decades, as well as by the distorting effect of extra funds coming from a joint commonwealth-Territory remote indigenous housing program starting in 2007-08.



However, the trend has continued throughout the period, with the three years from 2013-14 showing an improvement in relative terms over the early years but a significant underspend increase in real terms. In 2015-16, just \$285m, or 67 per cent, was spent on the welfare category from an assessed amount of \$422m, the previous year \$285m of \$407m (69 per cent) and in 2013-14 \$282m of \$381m (74 per cent of the total).

A submission to the Productivity Commission's current inquiry into how the GST is distributed argues that a "pattern of underspending compared to need has become entrenched" and warns that "indigenous Territorians retain unresolved concerns that the Northern Territory government does not fully apply the funds it receives as assessed by CGC for the benefit of indigenous people".

The submission, by influential northeast Arnhem Land social organisation the Yothu Yindi Foundation, calls for "fundamental reform" of commonwealth-Territory relations, an argument backed up this month by the royal commission into child detention.

That inquiry recommended a review of commonwealth expenditure in the Territory in the area of family and child services relating to the prevention of harm to children, addressing "co-ordination of programs, funding agreements and selection of service providers".

Northern Territory Chief Minister Michael Gunner this month slammed the Turnbull government for responding to this with a proposed review of both commonwealth and Territory spending, saying he would “not take a single worker off the frontline” to support it.

About 80 per cent of the Territory’s \$5.5bn budget comes from GST receipts and special purpose commonwealth payments. The Gunner government has blamed an estimated \$2bn reduction in GST for a hit to its forward estimates, arguing in its Productivity Commission submission this would have “implications for the Northern Territory’s capacity to invest in closing the gap in outcomes between Aboriginal and non-Aboriginal Territorians”.

It has called for separate commonwealth funding to be provided to address Aboriginal disadvantage, outside the GST distribution so that it is upheld “and not redistributed to other states”.

However, Indigenous Affairs Minister Nigel Scullion, a NT senator, hit back yesterday, accusing Mr Gunner of “hiding from transparency around remote education funds and remote policing numbers and (having) refused to participate in a commonwealth review of how federal funds are spent in the NT”.

“He should get his own house in order before demanding other states pay even more for his failures,” Senator Scullion said.

The latest startling figures come as the Turnbull government accuses Labor of frustrating its proposed new position of indigenous productivity commissioner, whose tasks would include examining the indigenous funding regime nationwide.

Malcolm Turnbull announced the position more than a year ago but, since introducing the enabling legislation in September, the government has resisted a Labor push to expand its definition of “indigenous” beyond a dated reference to “race”, so that it also includes now standard self-identification and community acceptance elements.