

SOURCES OF FUNDS

The Territory's sources of funds can be classified by:-

- the type of Agency receiving the funds (ie general agency or business division);
- the part of the Public Account into which the receipts are paid (the Consolidated Revenue Account or an Operating Account of either a general agency or a business division); or
- the economic transactions category, or nature of the source (eg taxes, fees and fines, charges etc).

The most important classification is by category.

The Territory is more dependent upon Commonwealth grants than any of the States. Measured on an economic transactions basis, the Commonwealth accounts for 72 per cent of total revenue and grants compared to an average of 45 per cent in the States. The share of funds from this source has been declining in real terms since the peak of 90 per cent in the years immediately following Self-Government.

In other words, revenue from Territory sources is an increasing proportion of the total.

The importance of Territory Borrowings as a source of funds for the Territory is, as a matter of Northern Territory Government policy, rapidly declining in significance. In 1996-97 the Territory will be raising only \$11 million for capital expenditure purposes, compared with \$35 million in 1995-96.

This Budget Paper also identifies and isolates payments from one agency of Government to another, to enable an assessment of the net effect of Government operations on the private sector, while at the same time ensuring appropriate accountability by the agencies making and receiving payments.

Figure 1.1: RECEIPTS	1995-96 Actual	1996-97 Budget	Variation
	\$000	\$000	\$000
RECEIPTS BY TYPE OF AGENCY	2 482 296	2 651 282	168 986
General Agencies	1 990 604	2 027 641	37 037
Business Divisions	491 692	623 641	131 949
RECEIPTS INTO PUBLIC ACCOUNT	2 482 296	2 651 282	168 986
Consolidated Revenue Account	1 285 226	1 357 106	71 881
General Agency Operating Accounts	705 379	670 535	- 34 844
Business Division Operating Accounts	491 692	623 641	131 949
RECEIPTS BY SOURCE	2 482 296	2 651 282	168 986
Taxes Fees and Fines	271 019	295 655	24 636
Charges	434 645	498 024	63 379
Miscellaneous Receipts	43 406	40 939	- 2 467
Sale of Land	16 820	13 189	- 3 631
Capital Receipts	40 125	53 833	13 708
Property Income	31 479	41 170	9 691
Interest Received	53 605	50 821	- 2 784
Advances Received	39 947	33 730	- 6 217
General Purpose Commonwealth Grants	913 774	930 998	17 224
Other Commonwealth Grants	314 568	310 396	- 4 172
Territory Borrowing	94 916	67 348	- 27 568
Intrasector Receipts	227 992	315 177	87 185

<i>Figure 1.2:</i> RECEIPTS BY ACCOUNT AND SOURCE	1995-96 Actual	1996-97 Budget	Variation
	\$000	\$000	\$000
TOTAL RECEIPTS	2 482 296	2 651 282	168 986
CONSOLIDATED REVENUE ACCOUNT RECEIPTS	1 285 225	1 357 106	71 881
Taxes Fees and Fines	244 600	268 778	24 178
Sale of Land	16 820	13 189	- 3 631
Sale of Other Assets	676	1 280	602
Property Income	31 479	41 170	9 691
Interest Received	31 368	27 254	- 4 114
Intrasector Receipts	46 506	80 437	33 931
Commonwealth Grants			
General Current-Purpose Grants	910 924	923 998	13 074
General Capital-Purpose Grants	2 850	7 000	4 150
Specific Current-Purpose Grants		- 6 000	- 6 000
GENERAL AGENCY OPERATING ACCOUNT RECEIPTS	705 379	670 535	-34 844
Taxes Fees and Fines	26 419	26 877	458
Charges			
Intrasector Charges	2 357	12 909	10 552
Other Charges	61 140	57 329	- 3 811
Miscellaneous Receipts	28 948	26 057	- 2 891
Capital Receipts			
Recoverable Works - Capital	136	5 135	5 000
Sale of Assets	10 197	5 308	- 4 889
Interest Received	3 222	2 911	- 311
Advances Received	3 803	3 134	- 669
Grants direct from Commonwealth	314 568	316 396	1 828
Territory Borrowing	94 916	67 348	- 27 568
Intrasector Receipts			
Interest from Business Divisions	62 929	65 460	2 531
Advances from Business Divisions	25 444	20 770	- 4 674
Other Intrasector Receipts	71 301	60 899	- 10 402
BUSINESS DIVISION OPERATING ACCOUNT RECEIPTS	491 692	623 641	131 949
Charges			
Intrasector Charges	91 160	125 556	34 396
Other Charges	279 988	302 230	22 242
Miscellaneous Receipts	14 458	14 882	424
Capital Receipts			
Recoverable Works- Capital			
Sale of Assets	29 115	42 110	12 995
Interest Received	19 015	20 656	1 641
Advances Received	36 144	30 596	- 5 548
Intrasector Receipts			
Interest from General Agencies			
Advances from General Agencies	16 315	36 505	20 190
Other Intrasector Receipts	6 497	51 106	45 609

REVENUE FROM TERRITORY SOURCES

All governments raise revenue from taxes and charges to pay for the services the public requires. Within the legislative powers of each level of government, the amount of revenue raised depends on the size of the revenue base and the rate of tax or charges imposed. In the past, the Territory's tax base has been constrained by the size and stage of development of the economy and, as a result, the level of taxes and charges paid per capita was lower in the Territory than in the States. However, as the Territory economy has grown this disadvantage has diminished and the Territory's overall revenue collections per capita are now close to the average of the States. Territory sourced revenue continues to increase as a proportion of total Territory revenue.

In line with the principles of National Competition Policy, inter-agency charging for services provided by Business Divisions has been included in the 1996-97 Budget. This reform promotes businesslike accounting and behaviour by Government Business Divisions, particularly those operating in contestable markets.

In 1996-97, total Territory receipts are expected to rise by \$98 million to \$989 million. \$45 million of this increase can be attributed to the inter-agency charging by Business Divisions, leaving a net increase of \$53 million drawn largely from the Territory's growing revenue base. There are only limited revenue policy decisions announced in the 1996-97 Budget.

The relative increase in the total revenue raised from Territory sources is the combined result of a high rate of increase in Territory tax collections and charges and the ongoing reduction of real Commonwealth payments to the Territory. The higher rate of increase in Territory revenue collections is due to the above-average rates of population growth and economic growth experienced in the Territory.

There are Constitutional limits on the kind of taxes and charges which can be imposed by any State or Territory. As a consequence, governments have to concentrate on the rate and structure of taxes and charges permitted.

Figure 2.1: REVENUE FROM TERRITORY SOURCES

	1995-96 Actual	1996-97 Budget	Variation
	\$000	\$000	\$000
TAXES FEES AND FINES	271 019	295 655	24 636
Northern Territory Treasury : Services			
Stamp Duty	47 287	52 072	4 785
Payroll Tax	67 821	71 215	3 394
Petroleum Franchise Fee	33 685	34 400	715
Tobacco Franchise Fee	43 276	44 299	1 023
Debit Taxes	6 860	7 208	358
Energy Resources Consumption Levy	582	524	- 58
Financial Institutions Duty	10 441	10 800	359
Northern Territory Tourist Commission			
Tourism Marketing Duty	6 631	6 475	844
Department of Transport and Works			
Vehicle Registration Taxes	12 265	12 288	23
Motor Vehicle Licences	1 873	1 873	
Heavy Vehicle Registration Fees	159	6 400	6 400
Office of Courts Administration			
Fees	589	520	- 79
Fines	2 109	2 200	91
Territory Health Services			
Alcohol Levy	8 616	8 330	- 286
Fees	267	400	113
Liquor Commission			
Liquor Tax	9 725	9 800	75
Racing and Gaming Authority			
Gaming Taxes	4 700	11 903	7 203
Bookmaker's Permits and Licence Fees	2	2	
Turnover Tax	1 060	420	- 630
Lotteries Tax	11 094	11 650	556
Department of Mines and Energy			
Fees	1 231	1 265	34
Other Agencies			
Other	1 736	1 452	- 284
CHARGES	434 645	498 024	63 132
Northern Territory Police, Fire and Emergency Services			
Other Charges	51	27	- 24
Nhulunbuy Fire Service	298	298	
Gold Squad	55	64	9
Fisheries Enforcement	149	172	23
Police Service Charges	116	135	19
Northern Territory Tourist Commission			
NT Holiday Centre Commissions	450	550	100
Department of Lands, Planning and Environment			
Valuer General		741	741
Land Administration Products	333	497	164
Land Information Products and Services	930	920	- 10

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Figure 2.1: REVENUE FROM TERRITORY SOURCES - Continued

	1995-96 Actual	1996-97 Budget	Variation
	\$000	\$000	\$000
CHARGES (continued)			
Darwin Port Authority			
Wharfage	10 222	10 516	294
Marine Industry Support	592	592	
Wharf Precinct	222	272	50
Department of Transport and Works			
PAWA Corporate Management Fees	2 740	2 791	51
DBS and DPA Corporate Management Fees	926	698	- 228
Rent			
Aviation	505	427	- 78
Motor Vehicle Registry Inspections	2 628	1 966	- 862
Bus Passes	241	241	
METAL Fees	73	75	2
Bus Fares	3 194	2 782	- 412
BD Management Fees		5 165	5 165
Department of Transport and Works : Construction Agency			
Intrasector Charges	16 600	20 127	3 327
Other Charges	616	747	131
Department of Transport and Works : NT Fleet			
Intrasector Charges	17 145	21 016	3 871
Department of Transport and Works : Government Printer			
Intrasector Charges	6 653	8 440	1 587
Department of Transport and Works : NCOM			
Intrasector Charges	42 640	68 792	26 152
Department of Transport and Works : Darwin Bus Service			
Bus Service costs	5 725	5 109	- 616
Northern Territory Correctional Services			
Prison Industries	265	280	75
Ending Offending Program	170	120	- 50
Juvenile Justice Benefits	14	10	- 4
AEP Prisoner Education	209		- 209
Intrasector Charges	131		- 131
Parks and Wildlife Commission of the NT			
Park Charges	186	178	- 8
Lecturing Charges	16	16	
Staff Rental Charges	264	254	- 10
Crocodile Hatchlings and Product Labels	165	157	- 8
Promotional Material Charges	309	301	- 8
Intrasector Charges	5	246	241
Other Charges	151	151	
Parks and Wildlife Commission of the NT : Wildlife Parks			
Park Charges	798	1 119	321
Department of Asian Relations, Trade and Industry : IPMU			
IPMU Project Income		2 054	2 054
Other	385	1 551	1 166
Northern Territory Legal Aid Commission			
Recovered costs	797	350	- 447
Client Contributions	55		- 55

(Continued)

Figure 2.1: REVENUE FROM TERRITORY SOURCES - Continued	1995-96 Actual	1996-97 Budget	Variation
	\$000	\$000	\$000
CHARGES (continued)			
Northern Territory Attorney-General's Department			
Land Titles, Births, Deaths and Marriages	2 644	2 333	- 311
Business Names	472	416	- 56
Other	424	594	170
Territory Health Services			
Compensable Patients	3 054	2 122	- 932
Medicare Bulk Bill	313	201	- 112
Cross Border / Interstate Patients	6 016	5 083	- 933
Private Patients	726	903	177
Other	4 355	4 075	- 281
Northern Territory University			
Higher Education Contribution Scheme	4 979	6 051	1 072
Department of Education			
Rent	1 010	1 064	54
Other	367	795	428
Batchelor College			
Messing and Student Fees	1 821	1 600	- 221
Higher Education Contribution Scheme	450	459	9
Service Course Fees	553	740	187
Van Lear Project	245	172	- 73
Other	191	150	- 41
Northern Territory Rural College			
Course Fees	571	417	- 154
Centralian College			
Messing and Student Fees	236	220	- 16
Service Course Fees	494	412	- 82
Other	661	526	- 155
Office of the Commissioner for Public Employment			
Intrasector Charges	1 913	6 026	4 113
Other Charges	442	131	- 311
Department of Mines and Energy			
Petroleum, Exploration and Mining Charges	747	729	- 18
Power and Water Authority : Commercial Services			
Electricity	191 490	205 981	14 491
Water	21 277	25 000	3 723
Sewerage	15 685	16 000	115
Power and Water Authority : Aboriginal Essential Services			
Electricity	7 854	7 850	- 4
Water	396	400	4
Sewerage	151	150	- 1
Museums and Art Galleries : Board			
Retail Receipts	650	582	- 68
Department of Primary Industry and Fisheries			
Cost Recoveries	102	60	- 42
Intrasector Charges	1 075	1 121	45

(Continued)

Figure 2.1: REVENUE FROM TERRITORY SOURCES - Continued

	1995-96 Actual	1996-97 Budget	Variation
	\$000	\$000	\$000
CHARGES (continued)			
Northern Territory Housing Commission : Housing			
Rent	38 501	38 483	- 18
Intrasector Charges	1 997	1 987	- 10
Department of Housing and Local Government			
Charges	2 268	3 016	748
Other Agencies			
Other	2 729	2 228	- 501
MISCELLANEOUS RECEIPTS	43 406	40 939	- 2 467
Northern Territory Police, Fire and Emergency Services			
Neighbourhood/School watch	85	88	3
Other Revenue	493	46	- 447
Northern Territory Treasury : Services			
Other Revenue	1 723	869	- 854
Northern Territory Treasury : Superannuation Office			
Superannuation Receipts	4 588	7 878	3 290
Other	209	210	1
Department of Transport and Works			
TIO	1 838	1 342	- 496
Marine Charges	9	5	- 4
Transport Charges	26	25	- 1
Other	368		- 358
Parks and Wildlife Commission of the NT : Wildlife Parks			
Kiosk Receipts	893	779	- 114
Department of Sport and Recreation			
Honda Masters Games	194	271	77
Arafura Sports Festival	71	285	214
Other	247	78	- 169
Territory Health Services			
Nhulunbuy/Alyangula Service	198	200	2
Other	494	438	- 56
Northern Territory University			
Overseas Fees	1 472	1 736	264
Australian Fees	650	692	42
Short Courses	226	375	149
Transfer from reserve accounts	3 760		- 3 760
Other	2 325	1 960	- 365
School Education			
AEP oncosts	1 553	1 833	280
Other	160	228	68
TAB			
Operating Revenue	13 185	13 800	615
Museums and Art Galleries Board			
Other Revenue	510	429	- 81

(Continued)

Figure 2.1: REVENUE FROM TERRITORY SOURCES - Continued

	1995-96 Actual	1996-97 Budget	Variation
	\$000	\$000	\$000
MISCELLANEOUS RECEIPTS (Continued)			
Department of Primary Industry and Fisheries			
BTEC Industry Contributions	3 039	2 949	- 90
Trading Accounts	2 815	3 221	406
Other	441		- 441
Other Agencies			
Other	1 644	1 202	- 642
LAND SALES	16 820	13 189	- 3 631
Department of Lands, Planning and Environment			
Land Sales	16 820	13 189	- 3 631
CAPITAL	40 125	53 833	13 708
Northern Territory Police, Fire and Emergency Services			
Sale of Motor Vehicles	3 420	3 050	- 370
Other Revenue	42	30	- 12
Recoverable Works	54	135	81
Department of Transport and Works : NT Fleet			
Sale of Vehicles	13 369	13 000	- 369
Department of Transport and Works			
Recoverable Works		5 000	5 000
Trade Development Zone Authority			
Factory Sales	578	830	152
Power and Water Authority : Commercial Services			
Recoverable Works	6 121	2 100	- 4 021
Sale of Assets	266	600	334
Power and Water Authority : Aboriginal Essential Services			
Recoverable Works	5 201	1 400	- 3 801
Power and Water Authority : Water Resources			
Recoverable Works	1 101	741	- 360
Northern Territory Housing Commission : Housing			
Recoverable Works	14		- 14
Sale of Assets	9 289	26 360	17 071
Other Agencies			
Other	570	587	17
PROPERTY INCOME	31 479	41 170	9 691
Northern Territory Treasury : Services			
TIO Contribution	1 671	2 000	329
Mining Royalties	22 969	32 130	9 221
Income from ARR Corporation	3 609	4 100	491
Other	104	140	36
Department of Lands, Planning and Environment			
Land Rent	1 957	1 318	- 639
Department of Mines and Energy			
Petroleum and Mining Rents	1 188	1 441	253
Other Agencies			
Other	41	41	

(Continued)

Figure 2.1: REVENUE FROM TERRITORY SOURCES - Continued

	1995-96 Actual	1996-97 Budget	Variation
	\$000	\$000	\$000
INTEREST RECEIVED	53 605	50 821	- 2 784
Northern Territory Treasury Corporation			
Interest from Banks	31 365	27 004	- 4 364
Interest from Local Government	2 435	2 082	- 354
Primary Industry and Fisheries			
Interest	332	512	180
Power and Water Authority : Commercial Services			
Interest	3 893	2 850	- 843
Northern Territory Housing Commission : Housing			
Interest	91	2 190	2 099
Northern Territory Housing Commission : Lending			
Interest	14 525	14 645	- 180
Other Agencies			
Other	960	1 538	678

Territory Taxes and Charges

The range of taxes and charges imposed in the Territory is constrained by the legislative powers provided to the Territory (and all States). As a result the range of taxes and charges imposed by all States and Territories is fairly narrow and at times these might not be the most efficient means of raising revenue. Similarly, the Territory is constrained in the rates at which taxes and charges can be levied by the rates adopted in other jurisdictions. Most State tax bases are relatively mobile, and any attempt to raise taxes and charges in particular areas significantly above the rates imposed in other jurisdictions can be counterproductive.

Taxes imposed by the States and Territories are being reviewed in a number of areas, both at the state and national level. Particular attention is being given to financial taxes and stamp duty.

In the future there will have to be significant changes to the tax regime due to the impact of rapid developments in commercial practice and the globalisation of the commercial arena.

While initially only apparent in respect of financial taxes, it is now clear the rapid development of electronic technology will have a significant impact on the administration of all taxes.

The Territory has also recently introduced a Tax Equivalent Regime. This will operate in conjunction with similar regimes introduced in other jurisdictions. First revenues under this regime are expected in the receipts for 1997-98.

Territory trading enterprises will be required to pay tax under a tax equivalent regime to meet the Territory's commitment to the Commonwealth under the Statement of Policy Intent signed in 1994.

The following **enterprises** will come within the regime:

- Darwin Port Authority
- Power and Water Authority
 - Darnor Pty Ltd
 - Gasgo Pty Ltd
 - Norgas Pty Ltd
- Territory Insurance Office

The Territory has also introduced a somewhat less complete tax equivalent regime to apply to other Government Business Divisions.

Taxes, Fees and Fines

Taxes are compulsory levies imposed by government that are designed largely to raise revenue (although they may have other economic effects.) They are not in payment for goods or services provided.

Fees are usually related to regulatory legislation, the provision of certain services and the issue of licences and permits to carry out otherwise prohibited, or restricted activities. They are primarily directed at raising revenue although they may to an extent recoup the costs of regulation.

Fines are defined by the Australian Bureau of Statistics as 'civil and criminal penalties imposed on law breakers other than penalties imposed by tax authorities.' Fines are collected primarily by the Office of Courts Administration.

The increase in 1996-97 receipts from taxes, fees and fines is as a result of:

- the introduction of heavy vehicle registration charges as part of a national agreement to impose uniform charges;
- full year effects and anticipated increased use of poker machines in community venues; and
- higher collections in most areas of taxation revenue as a result of growth in the economy and hence the tax base.

Charges

Charges are levied for services rendered and for the direct provision of goods and services by Government Agencies. This category of receipts comprises:

- commissions received by agencies for agency work;
- charges raised by Government institutions such as hospitals;
- revenues generated by Agencies through the sale of goods and services; and
- intra-sector charges from one Government agency to another, for example charges levied by NCOM for computing and communication services provided to all Agencies.

Charges comprise 35 per cent of the total revenue from Territory Sources. The major component of charges and recoveries of costs for services provided by the Northern Territory public sector relates to receipts by the Territory's public enterprises. Electricity, water and sewerage charges by the Power and Water Authority and Northern Territory Housing Commission rents account for over 56 per cent of total charges.

There has been a 17 per cent increase in revenue from charges in 1996-97 which can be attributed in the main to:

- the introduction of charging for all goods and services provided by business divisions;
- an 8 per cent increase in Housing Commission rents offset by the continuing trend towards renters purchasing dwellings and higher levels of rebate tenants;
- the commencement of major aid related projects in the International Project Management Unit of the Department of Asian Relations Trade and Industry;
- increased consumption of electricity; and
- a 7 cents per kilolitre increase in water charges.

Miscellaneous Receipts

Miscellaneous receipts include:

- contributions from non government sources towards an Agency program or program component;
- any remaining balances in clearing accounts;
- refunds of overpayments incurred in previous financial years; and
- unclaimed money.

Miscellaneous receipts are expected to decline in 1996-97 mainly as a result of:

- a large transfer in 1995-96 of reserves for capital works into the Northern Territory University operating account; and
- superannuation contributions for PAWA: Aboriginal Essential Services and PAWA: Water Resources ceasing in line with the policy that only Government Business Divisions will make superannuation provisions offset by the introduction of superannuation contributions from all business divisions in 1996-97.

Capital Receipts and Sale of Land

This category includes receipts from asset disposals as well as revenue from the sale of Crown land and Government property, principally dwellings and vehicles. This class also includes receipts from capital works undertaken by Agencies on a cost recovery basis for clients.

There is a significant increase in these receipts expected in 1996-97 due primarily to the sale of housing assets by the Housing Commission Housing Business Division to the Lending Business Division. This increase is partially offset by a decline in the level of land sales and higher than normal recoverable works receipts in 1995-96.

Property Income

Property income is derived from Territory ownership of assets. Property income includes income transferred from public enterprises by way of dividends, rent and royalties, including those received from mining. Mining royalties are the most significant contributor to this category, but there are also significant contributions by the Power and Water Authority and the Ayers Rock Resort Company Limited.

Increased activity in the Mining Sector is the primary reason for increases in Property Income.

Interest Received

This comprises interest received on investments, on advances outstanding, such as home loans by the Housing Commission and loans to local government, and on cash balances held in the Public Account. It excludes any interest on loans made to Territory Agencies, which is treated as an intra-sector receipt. Interest received is projected to be marginally less than in 1995-96, as a result of projected lower interest rates and cash balances.

Comparisons of Territory and State Rates of Taxes and Charges

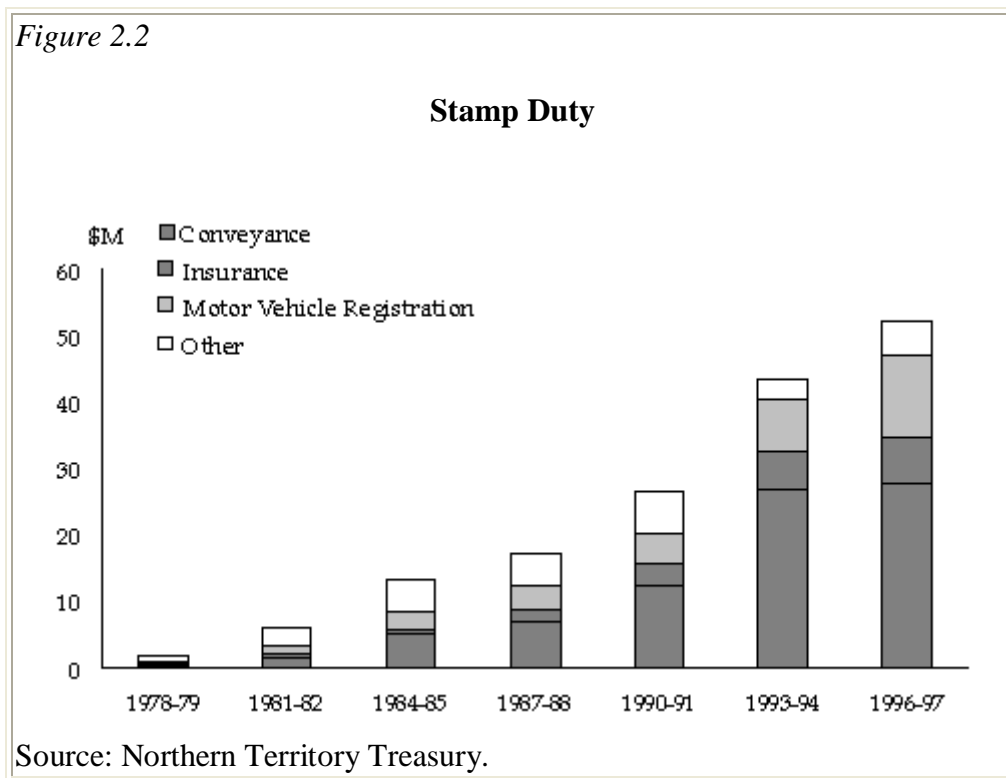
The Territory cannot operate in isolation from the other jurisdictions and must take account of interstate developments which have across border implications - not only to protect its revenue but also to minimise the cost (time and dollars) to taxpayers who operate on a national or global basis. There is already significant uniformity across Australia in the types of taxes and charges that are imposed. However, jurisdictions often impose different rates of taxes and charges.

Since Self-Government, the Northern Territory has largely adopted the range of tax revenue sources available to the States. There are only a limited number of areas where the Territory does not impose a state tax or charge, with Land Tax and a Fire Services Levy being the major exceptions. Similarly there are few areas where the Territory imposes a tax or charge that is not imposed in the states with the most notable example being Tourism Marketing Duty.

However, there are differences in the rates of taxes and charges between the Territory and the States and the purpose of this section is to highlight the areas of major significance. The Appendix contains a more detailed comparison.

Stamp Duty

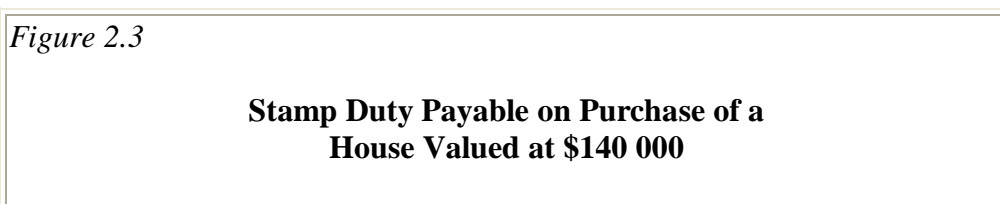
Figure 1 illustrates the main components of Stamp Duty which includes Conveyance, Insurance and Motor Vehicle Registration Duty.

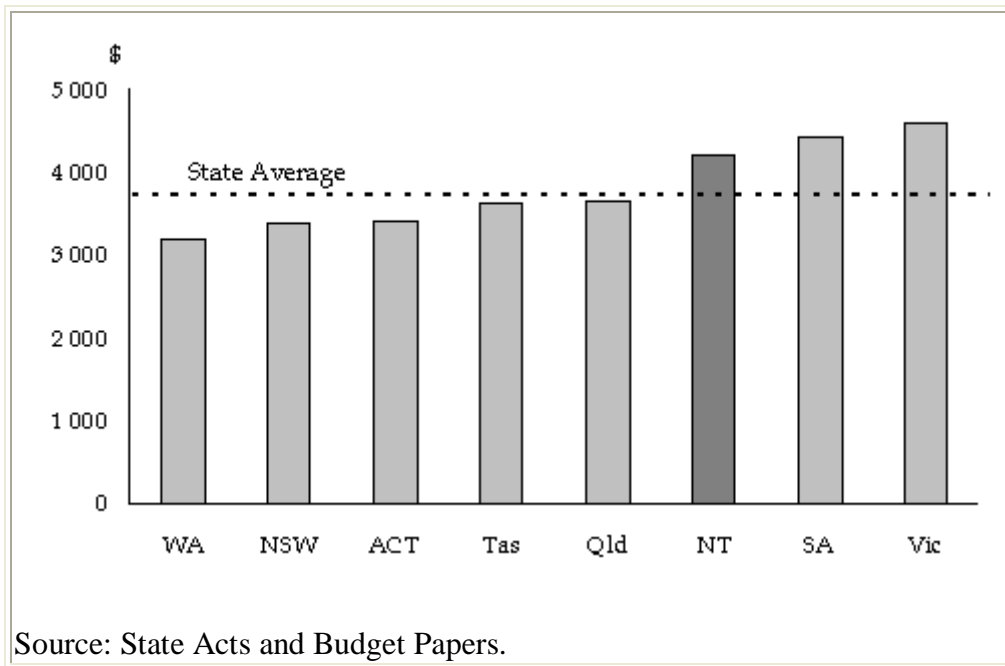


Conveyance duty remains the most significant component of these duties in all jurisdictions. Whilst figure 2 shows the top Territory rate of duty is relatively high it should be noted that the Territory does not impose a land tax. The Territory also continues to offer first home buyers relief from duty on the first \$80 000 of their purchase. The revised rates structure introduced in 1994-95 is fully progressive over the range in which most residential properties fall. This has eliminated the inequity experienced in previous years through rates changing at value levels and has had positive revenue results.

Insurance duty is imposed on policy premiums. The rate in the Territory is slightly below the average of the States. In 1996-97 it is anticipated that insurance duty will raise \$7 million in revenue.

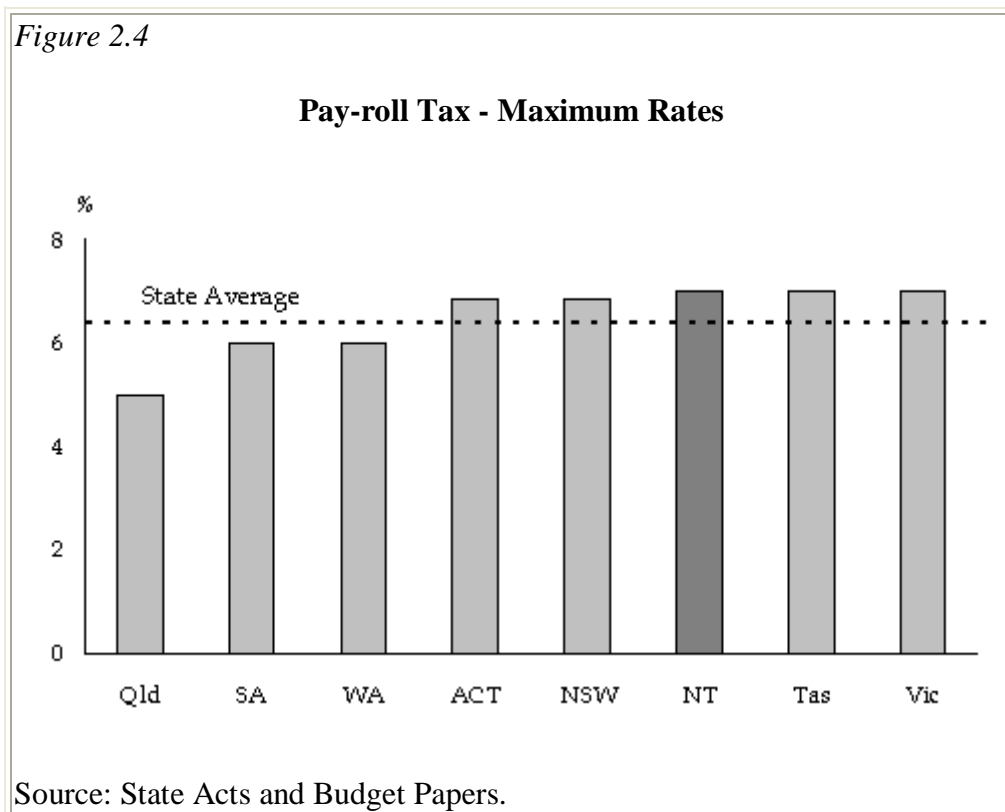
Motor vehicle registration duty was increased from \$2 per \$100 to \$3 per \$100 in 1995-96. As a consequence, the Territory rate is now marginally above the State average, but in line with ACT, New South Wales, Tasmania and Western Australia.





Pay-roll Tax

Revenue from Pay-roll tax (excluding that raised from the General Government sector) continues to be the Territory's single most significant revenue source.

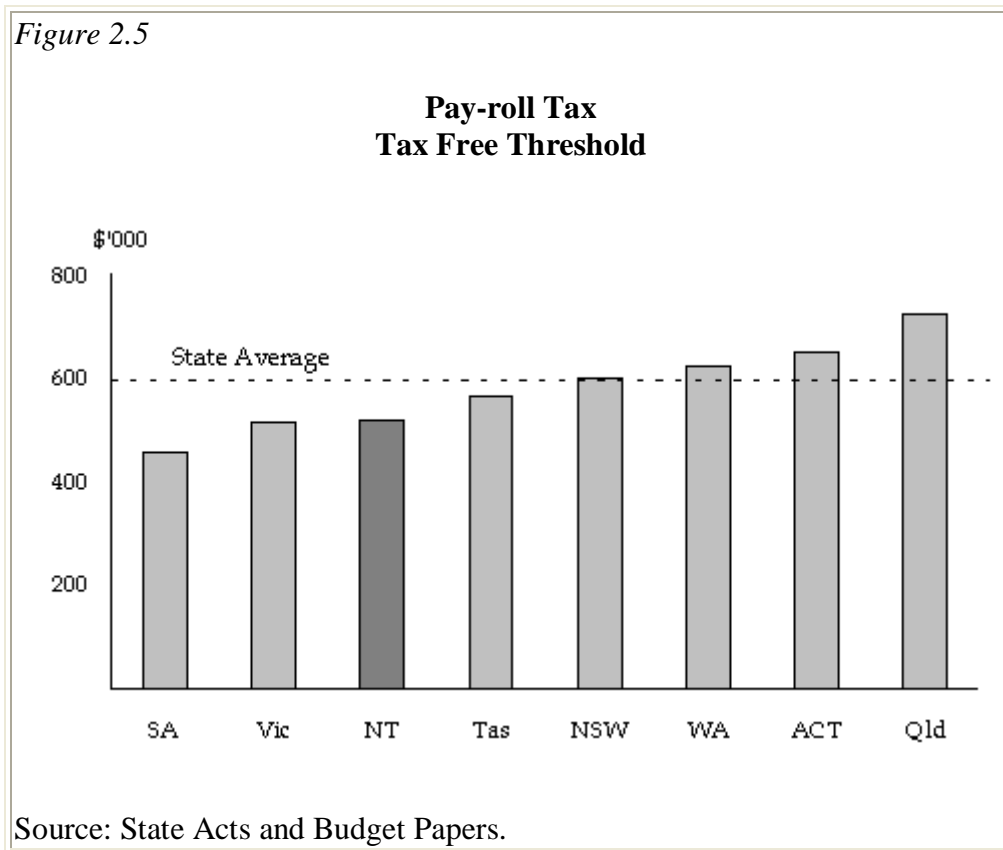


Whilst it is the most efficient of the Territory taxes, administrative complexity is increasing as the number of businesses operating in more than one jurisdiction increases pushing up recovery costs.

The top rate in the Territory is comparable with the upper levels in the States, while the threshold where tax commences in the Territory is below the State average.

The difference between the States and the Territory results to some extent from the different methods of assessing tax adopted by different jurisdictions.

Figure 2.5



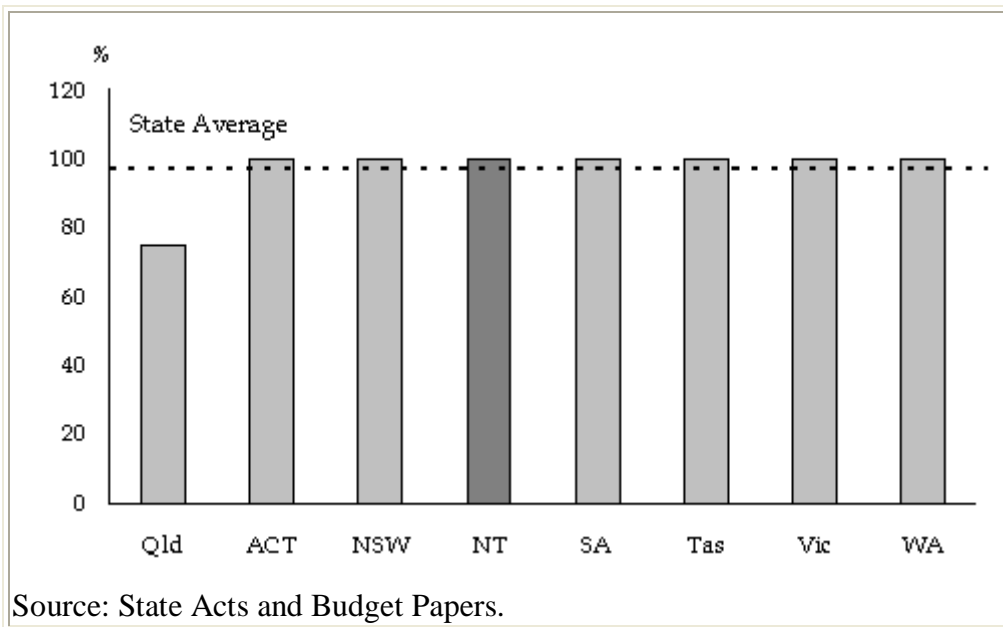
Business Franchise Fees

Business Franchise fees are an increasingly important revenue source for all the States and Territories. However, until the High Court provides a definitive interpretation of Section 90 of the Constitution there will be a degree of uncertainty about the survival of these fees as a source of revenue.

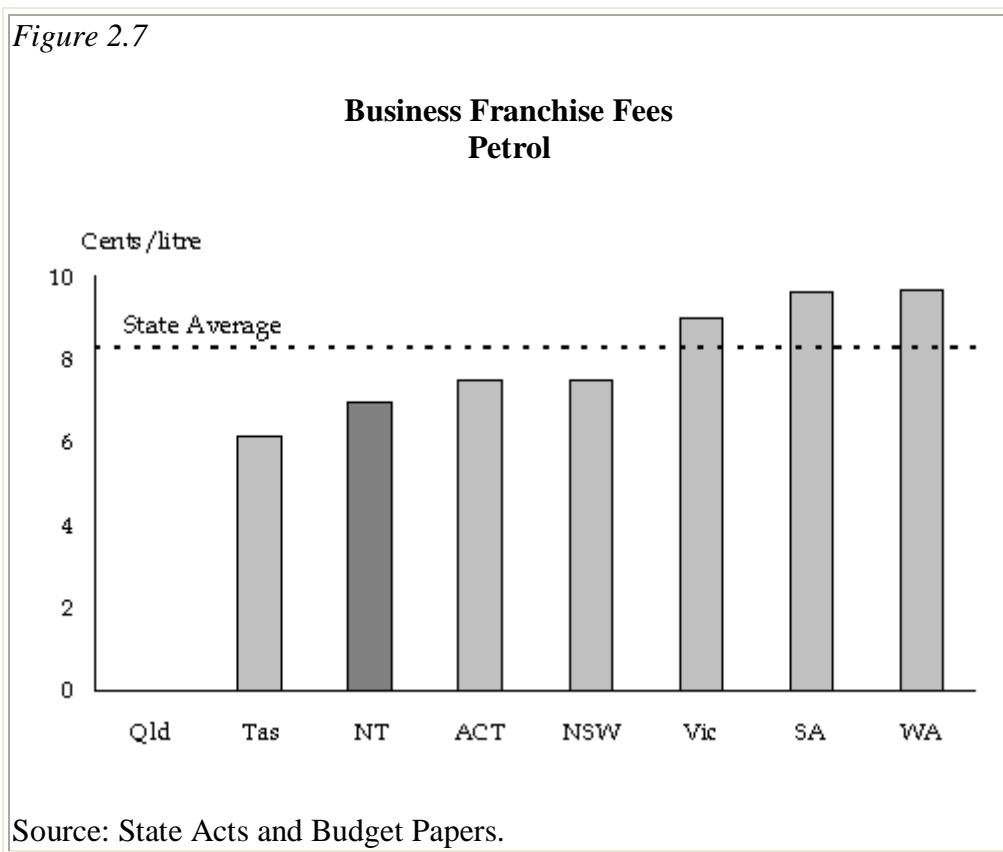
Tobacco licensing fees are a major source of funds in all jurisdictions. They are estimated to contribute \$44.3 million to Territory revenue in 1996-97. This Budget contains no increases to tobacco licensing fees which remain at 100 per cent of tobacco products purchased for retail sale. The consumption of tobacco in the Territory remains high on a per capita basis compared with other jurisdictions.

Figure 2.6





Petroleum Licence fees related to the sale of petroleum products are also a major revenue source in state and territory budgets.



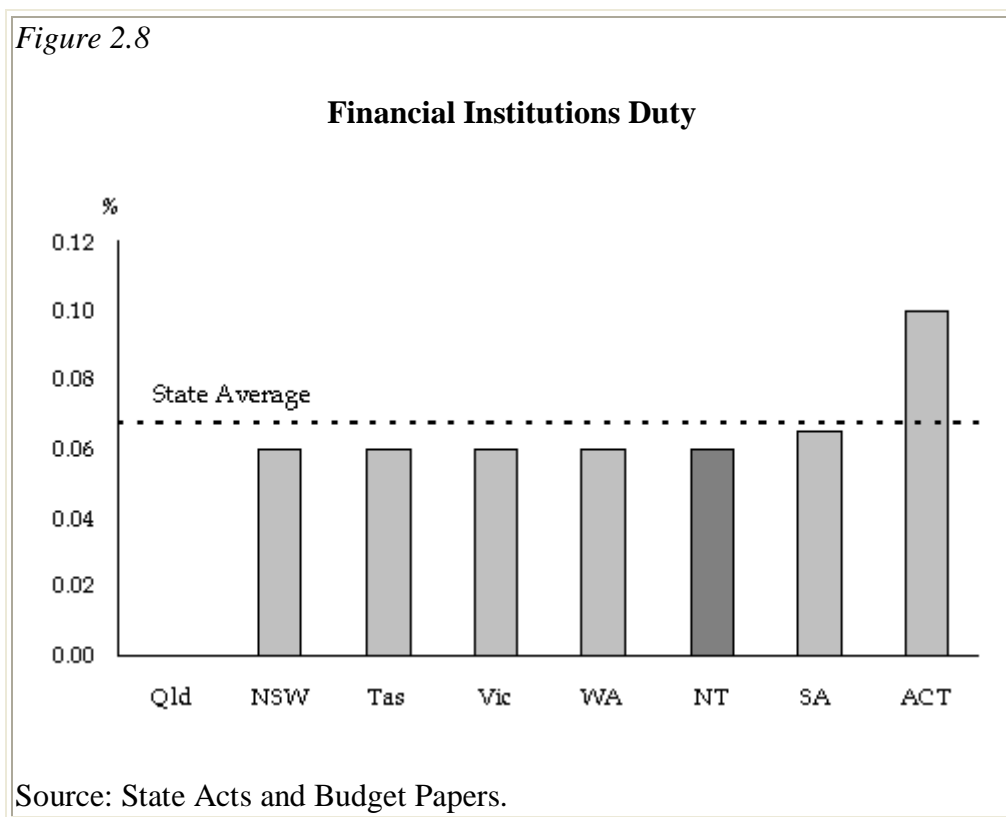
Territory rates have not been increased in this Budget. However, there have been some concessions provided to off-shore users and the full revenue effect of these will be reflected in the receipts for this financial year.

Across border avoidance has been declining due to audit activity targeting fuel being delivered into the Territory from Queensland and Western Australia. However, constitutional challenges currently before the courts have the potential to impact on revenue from this source.

Financial Taxes

There is continuing pressure on these forms of taxes from developments in the market place in the form of new financial products which are outside the scope of present taxes. Shrinkage of the revenue base is occurring from developments in electronic technology causing dutiable banking to be centralised in larger States or off-shore.

Financial Institutions Duty is levied on the receipts of registered financial institutions. The Territory rate of duty is below the average of the States but this is offset by a lower level of exemptions in the Territory and minimising avoidance through more effective means of managing exemptions.



Shrinkage of the revenue base and some avenues for avoidance pose a significant threat to revenue for all jurisdictions. Whilst the duty scheme is under review by all jurisdictions there is continuing pressure on this revenue base by developments occurring in electronic commerce.

Debits tax is imposed on debits to accounts, on which cheques can be drawn, maintained with a financial institution.

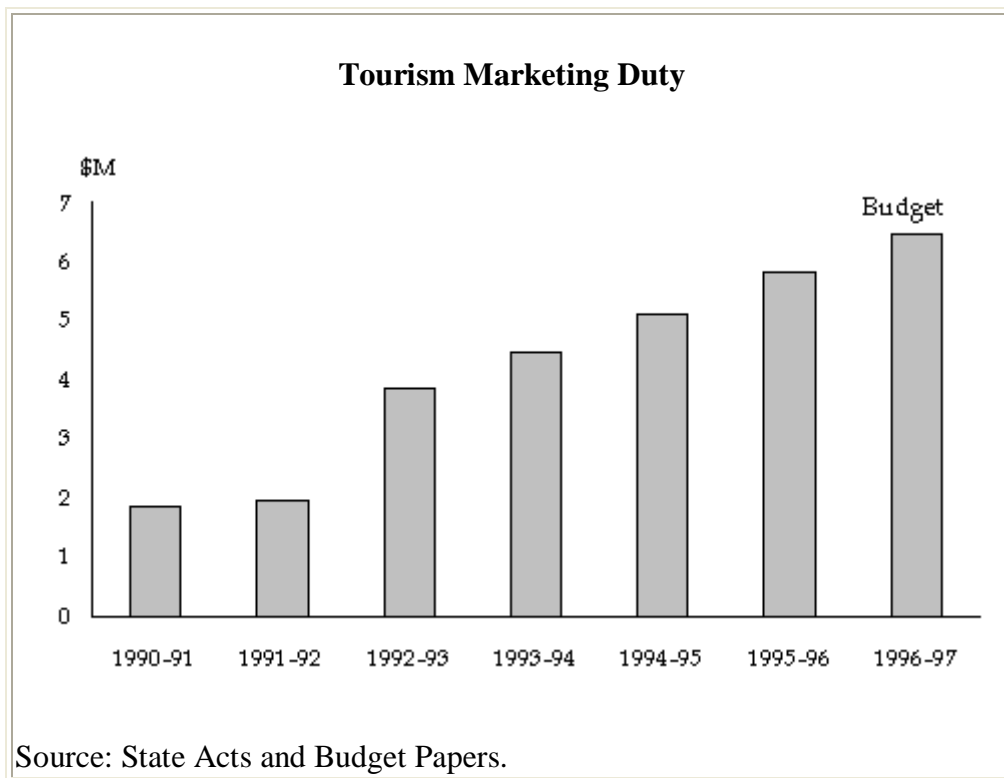
The Debits tax base has remained static as developments in electronic commerce offer more sophisticated means of making payments and the use of cheques diminishes.

The Territory, along with NSW, SA and Victoria have adopted a debits tax rate somewhat higher than that applied in other jurisdictions.

Tourism Marketing Duty

Tourism Marketing Duty is levied at 5 per cent on the cost of accommodation provided by commercial establishments. The Territory is presently the only jurisdiction to impose this duty. All proceeds are paid to the Northern Territory Tourist Commission to finance tourism promotion activities.

Figure 2.9



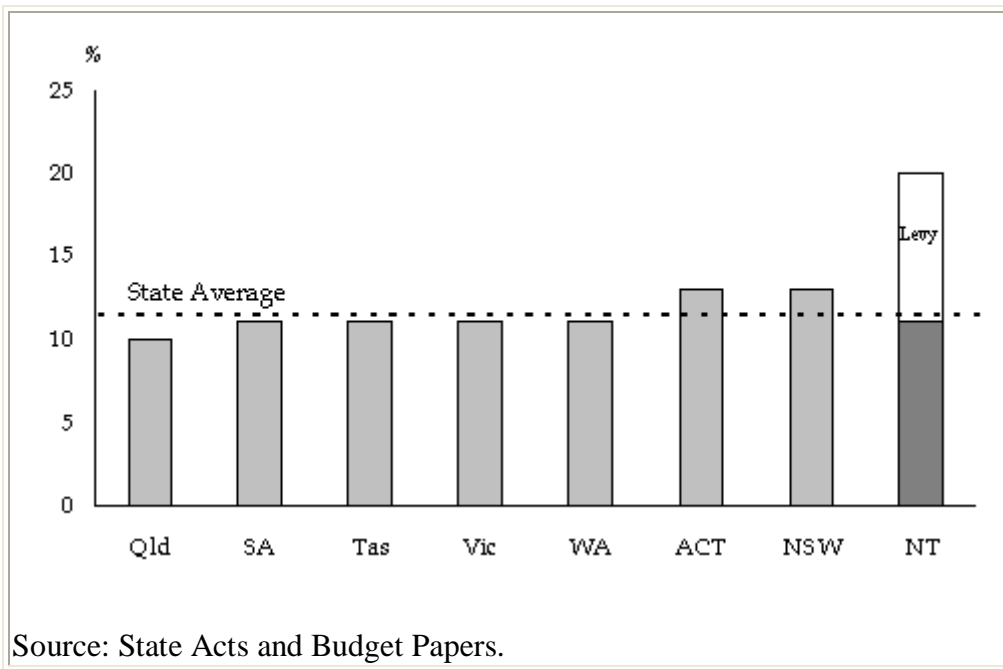
Liquor Licence Fees and Levies

Liquor licence fees are based on the value of the liquor to be sold. All jurisdictions have similar licence fees. However, the Territory also imposes a levy based on alcohol content which is used to provide funds for alcohol education and to address alcohol abuse. A levy on wine sold in casks was also imposed with effect from 1995-96.

The levies provide funding for programs including those to combat social problems arising from excessive alcohol consumption, irresponsible drinking and anti-social behaviour and to provide for removal of litter related to alcohol consumption. They operate across the Territory and focus largely on addressing unacceptable behaviour in public.

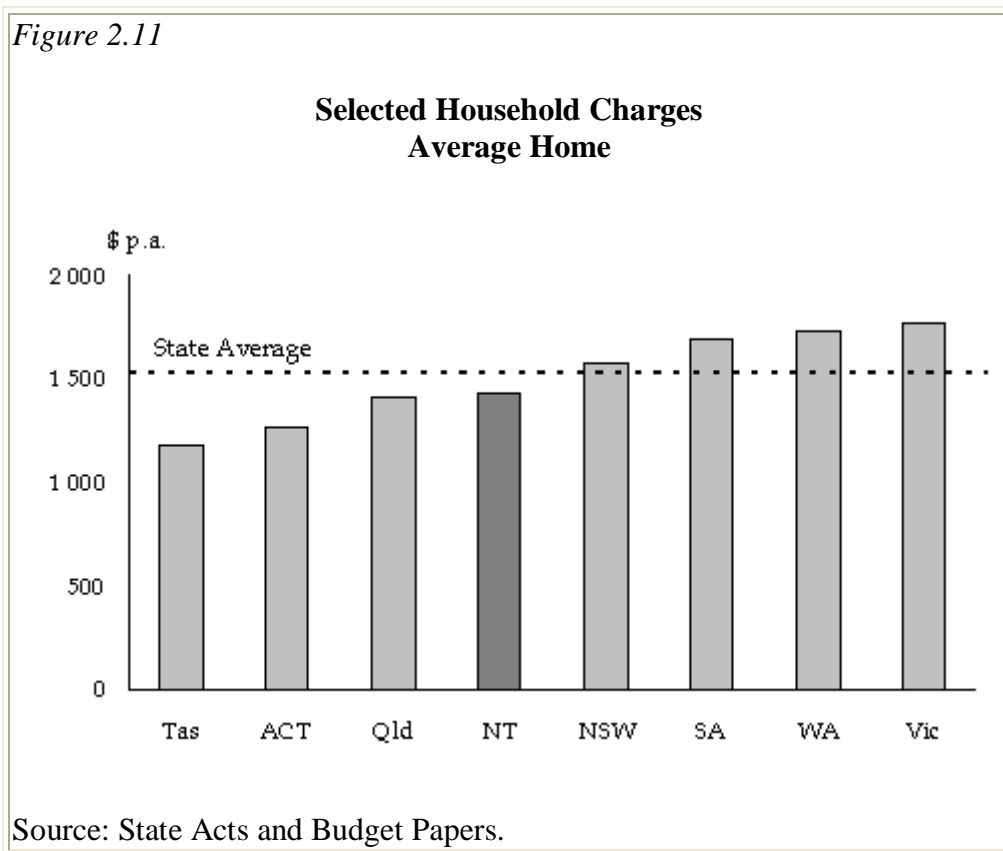
Figure 2.10

**Liquor Licence Fee
Hotel Purchase of a Carton of Heavy Beer**



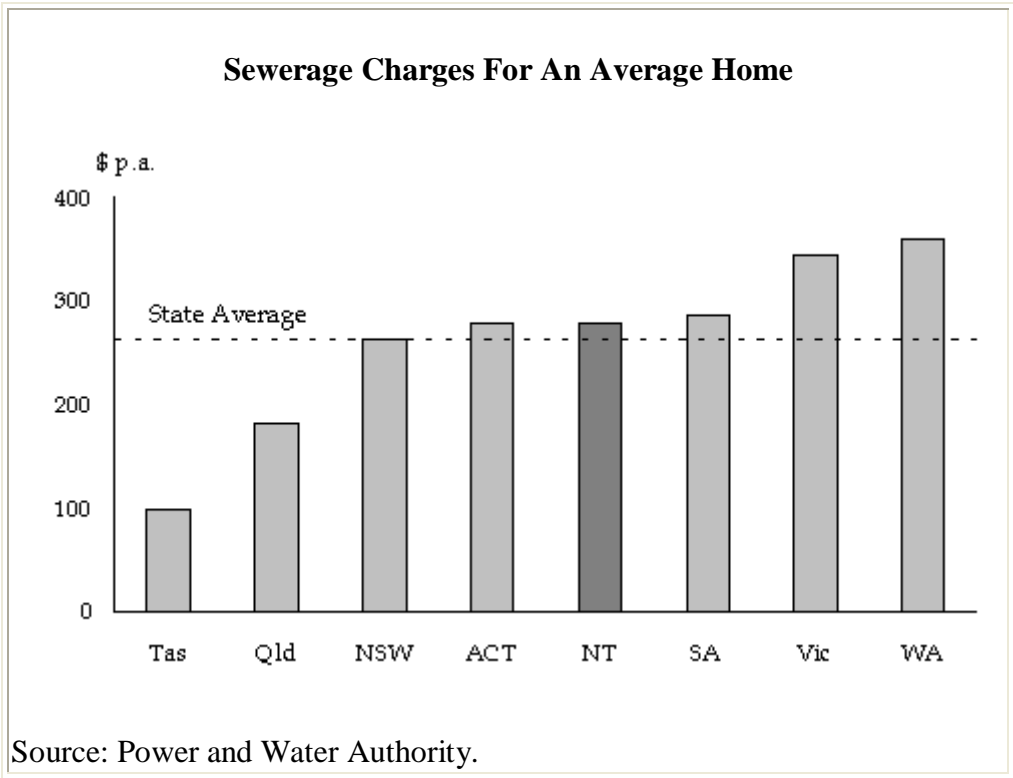
Charges

While comparisons between the Territory and the States are affected to some extent by differing definitions as to what should be considered to be a household charge, the Figure 2.11 provides a broadly comparable range of basic household costs faced by households in each state and the Territory. This is followed by a comparison of three of the main components of household charges.

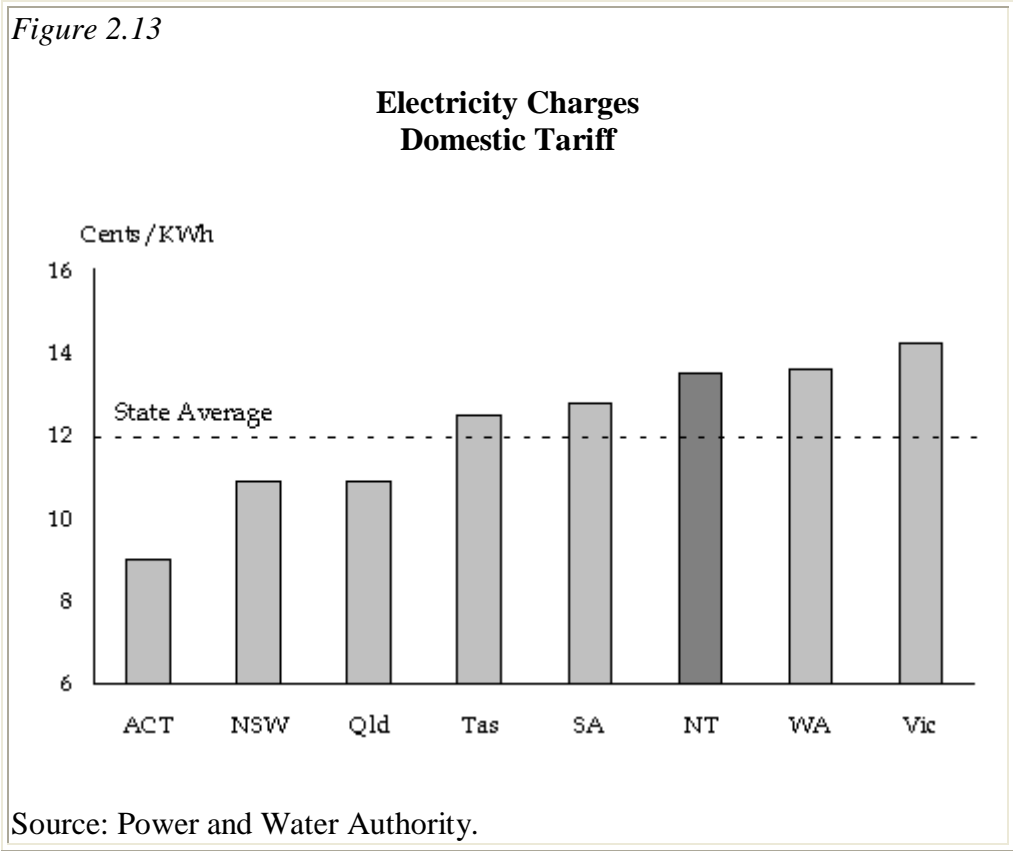


Sewerage charges, which have not been increased in this Budget, are slightly above the average of the states, although they are offset by significantly lower water costs.

Figure 2.12



Electricity charges remain high in the Territory compared with most other States. This reflects the high costs associated with absence of cheap fuel sources and lack of economies of scale. The bulk of fuel costs in the Territory are fixed costs associated with financing the Amadeus Basin to Darwin gas pipeline.

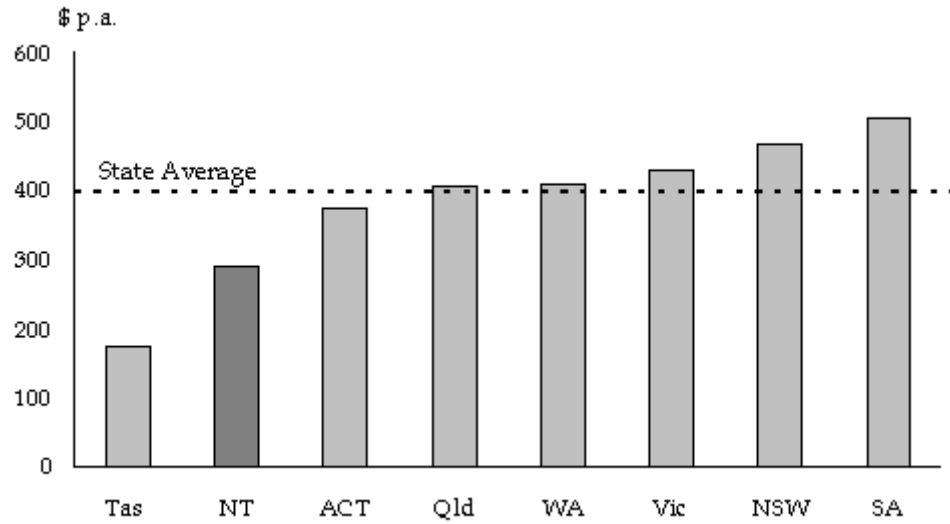


Water charges in the Territory are significantly below average and generally do not recover costs. Water charges have been increased in this Budget to bring charges into line with the costs of service provision.

Figure 2.14

Water Charges For Average Home Based on Annual Consumption of 550 KI

Source: Power and Water Authority.



NORTHERN TERRITORY TAX RATES COMPARED WITH STATES

NORTHERN TERRITORY TAX RATES COMPARED WITH STATES AS AT 13 AUGUST 1996

TAX/DUTY/FEE	NT	NSW	VIC	QLD	SA	WA	TAS	ACT
BILLS OF EXCHANGE	Abolished	Abolished	-	10c if payable on demand, at sight, etc	Abolished	10c	Abolished	Abolished
CHEQUE	Abolished	Abolished	Abolished	Abolished	10c	10c Duty on interstate cheque abolished 1.1.94	Abolished	Abolished
CONVEYANCE	To 500000 Duty in $\frac{1}{2}$ calculated as $0.065 \sqrt{V} + 21V$ where V = the value of transfer in \$000. Over 500000 5.4%. First 80000 of first home is exempt Property transfers between spouses married or de-facto exempt where consideration is NIL	To 14000 1.25% Next 16000 1.5% Next 50000 1.75% + \$415 Next 220000 3.5% + \$1290 Next 700000 4.5% + \$8990 Over 1000000 5.5% on excess + \$40490 First home buyer is subject to the Stamp Duty Deferred Payments Scheme up to an amount of \$155000. Property transfers between spouses married or de-facto exempt.	To 20000 1.4% Next 80000 2.4% + \$280 Next 660000 6.0% + \$2200 Over 760000 5.5% on total Exemption for first home up to 100000. Exemption phases out at a limit of \$111000. Relief subject to meeting certain eligibility criteria. Eligible Pensioner exemption to 65000. Partial exemption between 55000 & 65000	To 20000 1.5% Next 30000 2.25% + \$300 Next 50000 2.75% + \$975 Next 150000 3.25% + \$2350 Next 250000 3.5% + \$7225 Over 500000 3.75% on excess + \$15975 For first homes: Below \$80000: Nil \$80001 - \$150000: 1% less \$400 \$150001 - \$155000: 1% less \$200 \$155001 - \$160000: 1% less \$100 1% on principal place of residence for first \$250000. \$4 on gift from spouse to spouse of their principal residence to be owned equally	To 12000 1.0% Next 18000 2.0% + \$120 Next 20000 3.0% + \$480 Next 50000 3.5% + \$1080 Next 900000 4% + \$2830 Over 1000000 4.5% on excess + \$38830 First \$80000 of first owned and occupied home is exempt Partial exemption between 80000 & 130000	To 80000 1.75% Next 20000 2.5% + \$1400 Next 150000 3.25% + \$1900 Next 250000 4.0% + \$6775 Over 500000 4.25% on excess + \$16775 Transfer of property between spouses from single to joint ownership - exempt First home owner below 26 parallel to 85000 above 26 parallel to 127500 rebate. Max \$500	0-1300 \$20 Next 8700 1.5% + \$20 Next 20000 2.0% + \$150 Next 45000 2.5% + \$550 Next 75000 3.0% + \$1675 Next 75000 3.5% + \$3925 Over 225000 4.0% on excess + \$6550 First home to \$120000 interest free loan for any duty on purchase price and any mortgage repayable over 2 years.	To \$14000 1.25% or \$20 Next \$16000 1.5% + \$175 Next \$30000 2.00% + \$415 Next \$40000 2.5% + \$1015 Next \$200000 3.5% + \$2015 Next \$700000 4.5% + \$9015 Over \$1000000 5.5% on excess First home buyer exempt up to \$116000 phasing out at \$140000
ORAL CONTRACTS (CLAYTONS)	Documentation now required	Statement now required	Documentation now required	Documentation now required	Legislated for Sec. 71e	Legislated for Sec. 31B	Statement required	Statement required
LEASES	50c/\$100 total rent \$1/\$100 of one year's rent if indefinite term Principal place of residence exempt (natural persons)	35c/\$100 total rent Residential leases exempt. Exemption where rent is less than \$3000. Nursing home leases exempt	60c/\$100 definite term \$1.20/\$100 on one year's rent if indefinite term Exempt on residential tenancies	35c/\$100 of total rental Exempt: Private dwelling-house	\$1/\$100 or part thereof of yearly rent Residential leases exempt	35c/\$100 total rent 70c/\$100 yearly rent if indefinite term. Exempt: Residential tenancies to \$125 p.w.	Residential: Exempt Commercial: \$5 min. If < 12 months 1% of total rent payable or \$5 whichever the greater. If > 12 months 1% of equivalent of yearly rental or \$5 whichever the greater.	50c/\$100 total rent or \$20 whichever greater 50c/\$100 commercial leases. Residential exempt.

**NORTHERN TERRITORY TAX RATES COMPARED WITH STATES
AS AT 13 AUGUST 1996**

TAX/DUTY/FEE	NT	NSW	VIC	QLD	SA	WA	TAS	ACT
HIRING ARRANGEMENT (RENTAL DUTY)	1.5% or \$7500 whichever is the lesser. Threshold \$12000 pa	1.5% - \$10000 ceiling Includes movies/videos First \$6000 per month exempt	1.5% \$4000 maximum duty \$80000 p.a. threshold	0.43% on total amount of rental over \$100000	1.80% Threshold \$24000	1.8% Under \$25000 p.a. exempt	2% on rent in excess of \$4000 per month. External rental agreement \$20	-
HIRED PURCHASE (INSTALLMENT PURCHASE)	Nil	Nil	Nil	To \$20 - Nil > \$20 - 0.43%	Nil	Nil	2% purchase of payments price or \$4000 whichever lesser	-
LOAN SECURITY	Nil	Up to \$16,000 \$5 > \$16,000 \$5 plus \$4/\$1000 on excess First home exempt.	Debenture Trust Deeds payable at mortgage rates "Borrowing Corporation" refer to Stamp Duty Act section 137M First home exempt.	-	-	-	-	-
MORTGAGE	-	Caveat : \$10 in cases of a written mortgage document	0 to \$10000 - \$4 > \$10000 : \$4 plus 80c/\$200 or part thereof on excess	40c/\$100 Principal residence to \$100000 exempt	\$400-\$4000 \$10 >\$4000 to \$10000 \$10+25c/\$100 >\$10000 \$25+35c/\$100 on excess	To \$35000 25c/\$100 >\$35000 \$87.50 + 40c/\$100 or part of excess	<\$8000 \$20 >\$8000 to \$10000 \$20 + 25c/\$100 >\$10000 \$25 + 35c/\$100	-
MORTGAGE TRANSFER	-	-	-	\$5	-	\$10	\$20	-
MOTOR VEHICLE CERTIFICATES OF REGISTRATION	\$3 per \$100 or part	\$3 per \$100 or part 1/7/96 to December 1998	New: \$5/\$200 or part thereof up to \$35000 >\$35000 to \$45000 \$8/\$200 >\$45000 \$10/\$200 Transfers: \$8/\$200 or part thereof	\$2 per \$100 or part	Up to 1000 \$1/\$100 (min \$5). \$1001 - \$2000: \$10+ \$2/\$100 \$2001 - \$3000: \$30 + \$3/\$100 >\$3000: \$60 + \$4/\$100 Commercial vehicles and farmer's tractors with an unladen mass of 2.5 tonnes or more \$60+\$3/\$100	\$3 per \$100 or part	Passenger vehicles: <\$600: \$20 \$600-\$34999: \$3/\$100 or part \$35000-\$39999: \$1050+\$11/\$100 \$40000 or over: \$4/\$100 on excess All other vehicles: <\$600: \$20 >\$600: \$3/\$100	\$3 per \$100 or part 1/7/96 to December 1998.

**NORTHERN TERRITORY TAX RATES COMPARED WITH STATES
AS AT 13 AUGUST 1996**

TAX/DUTY/FEE	NT	NSW	VIC	QLD	SA	WA	TAS	ACT
LIFE INSURANCE	10c/\$100 Sum insured Temporary/term policy 5% of first years premium	To \$100 Nil \$100 to \$2000 10c/\$200 > \$2000 \$1+ 20c/\$200 Term/ rider 5% of first yr's premium Annuities exempt	To \$200 Nil \$200 to \$2000 12c/\$200 >\$2000 \$1.20 + 24c/\$200	To \$100 Nil \$100 to \$200 10c \$201 to \$2000 5c/\$100 Over \$2000 \$1+10c/\$100 Temporary or Term: 5% of first yr premium	\$1.50/\$100 of Premiums Annual Licence Fee	\$100 to \$2000 5c/\$100 > \$2000 \$1+10c/\$100 of sum insured Annuities exempt Temporary or Term 5% of first yr's premium	To \$2000 10c/\$200 >\$2000 \$1+20c/\$200 on excess Term insurance: 5% of first yr's premium Temporary: 2% of premium on policy	\$100 to \$2000 10c/\$200 >\$2000 \$1 + 20c/\$200 on excess Term insurance - 5% of premium
INSURANCE	8% of premium plus \$5 for Liability Exempt: Insurance on transport of goods Marine hulls & Workers compensation	11.5% of premium 2.5% special classes Motor vehicle, aviation, disability, income, occupational idemntty Exempt: Commercial marine hull, Premium on goods carried by sea/land/air, Premium on property outside N.S.W.	10% of premium Exempt: Commercial marine hull, workers compensation (with conditions) and premiums on goods carried by land, sea or air	8.5% of net premium Workers Comp..motor vehicle,professional indemnity insurance 5% of net premium Exempt: Hull of vessel & Premium on goods carried by sea, land or air	\$8/\$100 of Premium Monthly Licence. Exempt:Workers Comp for people < 25 Exempt: Commercial marine hull & t'port of goods by sea, land or air	5.0% of Premiums Workers Comp. 3.0% of Premium Exempt: Commercial marine hulls & Premium on goods carried by sea, land or air	8% of Premiums Exempt:Marine hull & aircraft used for international trade Transport of goods in international trade	10% of gross premium Motor vehicles - 7% Exempt: Premium on goods carried in international trade
DEEDS	\$5	\$10	\$10	-	\$10	\$5	\$20	-
DEEDS CREATING TRUST/	\$50	\$200 minimum	\$200	As for Conveyances	-	\$5	As for Conveyances	-
DECLARATION OF TRUST	-	-	-	Appointment of new trustee - \$4	-	-	-	-
DEBITS TAX								
>\$1 but <\$100	15 cents	30 cents	30 cents	25 cents	30 cents	15 cents	15 cents	Nil
\$100 but <\$500	70 cents	70 cents	70 cents	45 cents	70 cents	35 cents	35 cents	
\$500 but <\$5000	\$1.50	\$1.50	\$1.50	85 cents	\$1.50	75 cents	75 cents	
\$5000 but <\$10000	\$3.00	\$3.00	\$3.00	\$1.60	\$3.00	\$1.50	\$1.50	
\$10000 or more	\$4.00	\$4.00	\$4.00	\$2.10	\$4.00	\$2.00	\$2.00	
MINING AGREEMENTS	\$50	Under hand \$2 Under seal \$10	Under hand - Nil Under seal - \$10	Duty depends on nature of instrument	Duty depends on nature of instrument	Duty depends on nature of instrument	\$20 Min Duty depends on nature of instrument	-
FORECLOSURE	As for Conveyances	As for Conveyances	-	As for Conveyances	-	As for Conveyances	-	-

**NORTHERN TERRITORY TAX RATES COMPARED WITH STATES
AS AT 13 AUGUST 1996**

TAX/DUTY/FEE	NT	NSW	VIC	QLD	SA	WA	TAS	ACT
TRUSTEE APPOINTMENT	\$5	\$10	Under hand - Nil Under seal - \$10	\$4	\$2 fixed	\$5	\$20	-

POWER OF ATTORNEY								
for receiving dividend	\$5	Abolished	-	-	-	-	\$20.00	-
or money	\$5							
-other	\$10							
SHARE TRANSFERS On Market: Both buyers and seller are liable for duty.	15 cents/\$100 or part thereof.	Up to \$100: 7 cents/\$25 or part thereof. Over \$100: 15 cents/\$100 or part thereof.	Up to \$100: 7 cents/\$25 or part thereof. Over \$100: 15 cents/\$100 or part thereof.	Listed Shares <i>Brokers:</i> 15 cents/\$100 or part thereof, of the sale price and the purchase price as the case may be. <i>Other:</i> 30 cents/\$100 or part thereof.	15 cents/\$100 or part thereof.	15 cents/\$100 or part thereof.	15 cents/\$100 or part thereof.	Up to \$100 4 cents/\$25 or part thereof. Over \$100: 15 cents/\$100 or part thereof.
Off Market: The purchaser is liable for duty.	Listed Companies 30 cents/\$100 or part thereof. Unlisted Companies 60 cents/\$100 or part thereof.	Listed Companies Up to \$100: 7 cents/\$25 or part thereof. Over \$100: 30 cents/\$100 or part thereof. Unlisted Companies Up to \$100: 14c/\$25 or part thereof. Over \$100: 60c/\$100 or part thereof.	Listed Companies Up to \$100: 7 cents/\$25 or part thereof. Over \$100: 30 cents/\$100 or part thereof. Unlisted Companies Up to \$100: 14c/\$25 or part thereof. Over \$100: 60c/\$100 or part thereof.	Listed Shares <i>Brokers:</i> 15 cents/\$100 or part thereof, of the sale price and the purchase price as the case may be. <i>Other:</i> 30 cents/\$100 or part thereof. Unlisted Shares <i>Brokers:</i> 30 cents/\$100 or part thereof, of the sale price and the purchase price as the case may be. <i>Other:</i> 60c/\$100 or part thereof.	Listed Companies 30 cents/\$100 or part thereof. Unlisted Companies 60c/\$100 or part thereof.	Listed Trades 30 cents/\$100 or part thereof. Unlisted Trades 60c/\$100 or part thereof.	Listed Companies 30 cents/\$100 or part thereof. Unlisted Companies 60c/\$100 or part thereof.	Listed 30 cents/\$100 or part thereof. Unlisted 60c/\$100 or part thereof. (minimum \$20)
CHANGE CONTROL OF LAND OWNING CORPS/UNIT TRUSTS	As for Conveyances	As for Conveyances	As for Conveyances	As for Conveyances	As for Conveyances	As for Conveyances	As for Conveyances	As for Conveyances
CREDIT CARDS	Nil	Nil	Nil	10c per transaction less 10c per account period	Nil	Nil	15c per transaction	Nil
DUPLICATES/COPIES/ COUNTERPARTS	\$5 fixed. If orig not stamped copy to be charged as original.	\$2	Nil	Nil	Nil	\$2 or same as original if < \$2.	\$20 first counterpart \$1 each thereafter.	-

**NORTHERN TERRITORY TAX RATES COMPARED WITH STATES
AS AT 13 AUGUST 1996**

TAX/DUTY/FEE	NT	NSW	VIC	QLD	SA	WA	TAS	ACT
ELECTRONIC BANKING	10c Per Dr.transaction	-	-	-	-	-	-	-
TOURISM MARKETING	Hotels/Motels etc. 5% max 14 nights	-	-	-	-	-	-	-
PAYROLL TAX								
Exemption taper scale (in '000s)	Up to \$520- Nil \$520 to \$1260	01.01.96 Up to \$600 Nil	Up to \$515 - Nil > \$515	Up to \$725 - Nil \$725 to \$2000	Up to \$456 - Nil > \$456	01/07/96 Up to \$625 Nil	Up to \$565 - Nil \$565 to \$1412.5 Taper	01.01.96 Up to \$650 Nil

Rate	\$1250 to \$10000 >\$10000 5.0% 6.0% 7% Taper Exempt: Trainees under ATS	>\$600 Base extended to incl. employer superannuation contributions - 1/7/96. 6.85% from 1/7/96 6.7% from 1/1/99 Exempt: Trainees under Australian Traineeship System	7% Flat	01.07.96 Up to \$750 - Nil \$750 to \$3000 5%	6% Exempt: Trainees under Australian Traineeship System	\$625 - \$2500 \$2500 - \$4167 \$4167 - \$5208 >\$5208 5.27% of excess \$98,750 + 6.45% of excess \$206,250 + 10.2% of excess 6% Flat Taper	>\$1,412.50 -general exemption \$188,333; (\$376,667 in 1996-97) 7%	>\$650 Base extended to incl. employer superannuation contributions - 1/7/96 6.85% from 1/7/96.
BUSINESS FRANCHISE - TOBACCO	100%	100%	100%	75%	100%	100%	100%	100%
BUSINESS FRANCHISE - PETROLEUM								
Motor Spirit	7.0 cpl	7.51 cpl See NOTE below	8.99 cpl	-	Zone 1 - 9.46 cpl Zone 2 - 6.99 cpl Zone 3 - 4.58 cpl	9.67 cpl	6.15 cpl	7.51 cpl
Distillate	7.0 cpl	7.55 cpl See NOTE below	11.05 cpl	-	Zone 1 - 10.80 cpl Zone 2 - 8.39 cpl Zone 3 - 5.92 cpl	7.45 cpl	6.11 cpl	7.55 cpl

**NORTHERN TERRITORY TAX RATES COMPARED WITH STATES
AS AT 13 AUGUST 1996**

TAX/DUTY/FEE	NT	NSW	VIC	QLD	SA	WA	TAS	ACT
ELECTRONIC BANKING	10c Per Dr.transaction	-	-	-	-	-	-	-
TOURISM MARKETING	Hotels/Motels etc. 5% max 14 nights	-	-	-	-	-	-	-
PAYROLL TAX								
Exemption taper scale (in '000s)	Up to \$520- Nil \$520 to \$1250 \$1250 to \$10000 >\$10000	01.01.96 Up to \$600 - Nil >\$600	Up to \$515 - Nil >\$515	Up to \$725 - Nil \$725 to \$2900	Up to \$456 - Nil > \$456	01/07/96 Up to \$625 - Nil \$625 - \$2500 \$2500 - \$4167 \$4167 - \$5208 >\$5208	Up to \$565 - Nil \$565 to \$1412.5 Taper >\$1,412.50 -general exemption \$188,333; (\$376,667 in 1996-97)	01.01.96 Up to \$650 - Nil >\$650
Rate	5.0% 6.0% 7% Taper Exempt: Trainees under ATS	Base extended to incl. employer superannuation contributions - 1/7/96. 6.85% from 1/7/96 6.7% from 1/1/99 Exempt: Trainees under	7% Flat	5% Up to \$750 - Nil \$750 to \$3000	6% Exempt: Trainees under Australian Traineeship System	5.27% of excess \$98,750 + 6.45% of excess \$206,250 + 10.2% of excess 6% Flat Taper	7% Base extended to incl. employer superannuation contributions - 1/7/96 6.85% from 1/7/96.	

		Australian Traineeship System						
BUSINESS FRANCHISE - TOBACCO	100%	100%	100%	75%	100%	100%	100%	100%
BUSINESS FRANCHISE - PETROLEUM								
Motor Spirit	7.0 cpl	7.51 cpl See NOTE below	8.99 cpl	-	Zone 1 - 9.46 cpl Zone 2 - 6.99 cpl Zone 3 - 4.58 cpl	9.67 cpl	6.15 cpl	7.51 cpl
Distillate	7.0 cpl	7.55 cpl See NOTE below	11.03 cpl	-	Zone 1 - 10.80 cpl Zone 2 - 8.39 cpl Zone 3 - 5.92 cpl	7.45 cpl	6.11 cpl	7.55 cpl

**NORTHERN TERRITORY TAX RATES COMPARED WITH STATES
AS AT 13 AUGUST 1996**

TAX/DUTY/FEE	NT	NSW	VIC	QLD	SA	WA	TAS	ACT
LAND TAX								
On Residentialowner occupied land	-	Exempt	Liabile (Concession for Pensioners)	Exempt with Conditions	Exempt	Exempt	Exempt	Exempt
On land used for Primary production	-	Exempt	Exempt with conditions	Exempt with Conditions.	Exempt	Exempt	Exempt	Exempt
Rate	Nil	See attachment	See attachment	\$160000 exemption for all natural person's (otherwise exemption of \$60000 for companies and trustees, and \$40000 for absentees).	See attachment	See attachment	See attachment	See attachment
LIQUOR LICENCE FEES	Roadside Inns with water etc. 7.0% w/out water \$200 p.a. On licence 11.0% Off licence 11.0% Clubs to 9.0% 4% low alcohol	13% Full Strength Low alcohol exempt	11% Full Strength Low alcohol exempt	10% 10% Low alcohol	11% Low alcohol exempt	11% 7% Low alcohol	11% 5% Low alcohol	General Licence Fees: \$150 or 13% whichever the greater Other licences: \$125 or 13% whichever the greater Low Alcohol exempt
FINANCIAL INSTITUTIONS DUTY	0.06% Max. \$1500 per receipt	0.06% Max. \$1200 per receipt	0.06% Max. \$1200 per receipt	-	0.065 incl local govt levy Max. \$1200 per receipt	0.06% Max. \$1200 per receipt	0.06% Max. \$1200 per receipt	0.1% Max. \$1200 per receipt

	Exempt: SS Deposits Charitable/Relig. Orgs				Exempt: Pension chqs. Rebate for FID paid on export revenue.	Exempt: Pension chqs.	Exempt: Pension chqs	
Short term dealers rate	.005%	.005%	.005%	-	.005%	.005%	.005%	.005%
CONSUMPTION LEVY FUELOIL	>10m litres \$1/1000 litres	-	-	-	-	-	-	-

NOTE: NSW Business Franchise Fee Petroleum - The NSW Government has introduced an Act known as the Road Improvement (Special Funding) Act 1989 effective from 1/7/1989 and has increased the rate at which the petroleum product licence fees are payable for the next three years to 1992. It was announced in the 1991/1992 budget that this was to continue for a further 3 years from August 1992. Extended to 31 August 1999.

The rate is an additional 3.20 cpl applicable to both petroleum and distillate.

NORTHERN TERRITORY TAX RATES COMPARED WITH STATES
AS AT 13 AUGUST 1996

TAX/DUTY/FEE	NT	NSW	VIC	QLD	SA	WA	TAS	ACT
LAND TAX	Not imposed	Below \$160,000: Nil Above \$160,000 \$100+ 1.65% of excess	Below \$200,000:Nil \$200,000 - \$539,999: \$60 + 0.2% of excess \$540,000-\$2,699,999: \$740 + 3% of excess Above \$2,700,000: \$65,540 + 5% of excess (with effect from the 1994 tax year)	Up to \$3,999:0.20% \$4,000-\$5,999: \$8+0.36% \$6,000 - \$9,999: \$15.20+0.52% \$10,000 - \$29,999: \$36+0.70% \$30,000 - \$49,999: \$176+0.87% \$50,000 - \$199,999: \$350+1.03% \$200,000 - \$349,999: \$1,895+1.20% \$350,000 - \$499,999: \$3,695+1.37% \$500,000 - \$649,999: \$5,750+1.54% \$650,000 - \$799,999: \$8,060+1.71% \$800,000 - \$949,999: \$10,625+1.89% \$950,000 - \$1,099,999: \$13,460+2.01% \$1,100,000 - \$1,249,999: \$16,475+2.23% \$1,250,000 - \$1,299,999: \$19,820+2.44% \$1,300,000 - \$1,349,999: \$21,040+2.66% \$1,350,000 - \$1,399,999: \$22,370+2.87% \$1,400,000 - \$1,449,999: \$23,805+3.09% \$1,450,000 - \$1,499,999: \$25,350+3.30% - \$1,500,000 and over 1.8%	\$0-\$50,000:Nil \$50,001-\$300,000: 0.35% of excess \$300,001 - \$1m: \$875+1.65% of excess Over \$1m: \$12,425+3.7% of excess	Below \$10,000: Nil \$10,000 - \$60,000: \$15 + 0.15% of excess \$60,000 - \$120,000: \$90 + 0.35% of excess \$120,000 - \$175,000: \$300 + 0.60% of excess \$175,000 - \$240,000 \$630 + 0.85% of excess \$240,000 - \$550,000: \$1,182.50 + 1.2% of excess \$550,000 - \$1m: \$4,902.50 + 1.6% of excess \$1m and over: \$12,102.50 + 2% of excess	0-\$1,000:Nil \$1,001 - 15,000:\$25.00 \$15,001 - \$40,000: \$25.00+0.75% of excess \$40,001 - \$68,750: \$212.50+1% of excess \$68,751 - \$100,000: \$500.00 \$100,001 - \$125,000: \$500.00+1.25% excess \$125,001 - \$170,000: \$812.50+1.5% excess \$170,001 - \$210,000: \$1,487.50+ 1.75% excess \$210,001 - \$250,000: \$2,187.50+2% excess \$250,000 - \$500,000: \$2,987.50+2.25% excess Exceeding \$500,000: \$8,612.50+2.5% excess	Up to \$100,000: 1% flat \$100,001 - 200,000: 1.25% flat Above 200,000: 1.5% flat (Upon unimproved value)

				Flat				
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GRANTS FROM THE COMMONWEALTH

Grants from the Commonwealth comprise Financial Assistance Grants, Special Revenue Assistance, specific purpose grants (including those paid direct to agencies). Total grants are estimated to total \$1 241 million in 1996-97, a nominal increase of \$13 million on 1995-96 (but a reduction in real terms of 1.6 per cent). Yearly variations in total grants reflect different rates of population growth, changes in the per capita relativities assessed by the Commonwealth Grants Commission (CGC), variations in Special Revenue Assistance and fluctuations in number and the level of specific purpose payments.

Grants from the Commonwealth will account in all for some 73 per cent of total Northern Territory revenue in 1996-97.

A major influence on this year's level of general purpose payments to the Territory has been the significant redistribution (\$27.4 million) of general revenue assistance from the Northern Territory to the other States as a result of the decrease in the relativity recommended for the Territory by the Commonwealth Grants Commission. In addition, the Territory, along with all States and the ACT, agreed at the June Premiers' Conference to assist the Commonwealth's deficit reduction strategy. The Territory will contribute \$6.1 million in 1996-97 to assist the Commonwealth in its difficult fiscal situation.

The major factor that is expected to affect the level of specific purpose grants is the Commonwealth's intention to reduce the total amount of specific purpose grants to the States and Territories. The Commonwealth committed at Premiers' Conference that the overall reduction will be no more than three per cent in 1996-97, and this has been reflected in this Territory Budget. Detailed estimates will not be available until after the Commonwealth Budget is delivered.

Figure 3.1: COMMONWEALTH GRANTS

	1995-96 Actual	1996-97 Budget	Variation
	\$000	\$000	\$000
GENERAL CURRENT-PURPOSE GRANTS	910 924	923 998	13 074
Northern Territory Treasury : Services			
Financial Assistance Grants	890 774	905 081	14 307
Special Revenue Assistance	10 043	10 000	- 48
Negative Special Revenue Assistance		- 6 071	- 6 071
Identified Road Funding	8 729	13 688	4 959
Grant in Lieu of Uranium Royalties	1 373	1 300	- 73
GENERAL CAPITAL-PURPOSE GRANTS	2 850	7 000	4 150
Northern Territory Treasury : Services			
Capital Grants	2 850	2 000	- 850
Community Health Infrastructure		5 000	5 000
SPECIFIC CURRENT-PURPOSE GRANTS	169 898	157 319	- 12 579
Department of the Chief Minister			
Bridging Program	11		- 11
Northern Territory Police, Fire and Emergency Services			
Emergency Services Operations	106	116	10
Northern Territory Treasury : Services			
Global Savings (June 1996 Premiers Conference)		- 6 000	- 6 000
Department of Lands, Planning and Environment			
Landcare Program	2 331	421	- 1 910
Environmental Restoration		145	145
Department of Transport and Works			
Interstate Road Transport		100	100
Department of Sport and Recreation			
Youthsport	214	217	3
Vacation Care	185	194	9
ATSIC - Young persons sport and rec. program	209	264	55
Volunteer and Planning Program	30	10	- 20
Department of Asian Relations, Trade and Industry			
National Industry Extension Service	424	245	- 179
Northern Territory Legal Aid Commission			
Legal Aid	2 282	2 625	343
Northern Territory Attorney-General's Department			
Corporate Affairs Revenue Foregone	1 871	1 921	50
Territory Health Services			
Hospital Funding Grants	56 012	56 312	300
Medicare Adjusted Base Grant	26 213	26 569	1 356
National Health Program	716	896	180
Funds to Combat AIDS	1 068	600	- 468
Home and Community Care	2 456	2 417	- 39
Aged Care Assessment	557	595	38
Children's Services	32	30	- 2
Supported Accommodation Assistance	2 939	3 069	130
Blood Transfusion Services	502	566	64
National Drug Strategy	306	302	- 4

(Continued)

Figure 3.1: COMMONWEALTH GRANTS - Continued

	1995-96 Actual	1996-97 Budget	Variation
	\$000	\$000	\$000
SPECIFIC CURRENT-PURPOSE GRANTS (continued)			
Territory Health Services (continued)			
Innovative Health Services for Homeless Youth	38	24	- 14
National Women's Health	106	116	10
Cervical Screening Program	213	99	- 114
National Program for the Early Detection of Breast Canc	460	58	- 402
Commonwealth/ State Disability Services	2 685	2 762	- 123
Alternative Birthing Services	210	90	- 120
Highly Specialised Drugs	678	900	22
Pensioner Concession Scheme	635	635	- 1
Commonwealth Dental Scheme	671	1 000	129
Victim's of Domestic Violence	152		- 152
National Childhood Immunisation Program	241	194	- 47
Ambulatory Care	450	139	- 311
National Mental Health Strategy	910	991	81
Regional Cross Cultural Awareness	147		- 147
Department of Education			
Government Schools	15 715	14 793	- 922
Joint Schools Programs	484	849	365
Non-Government Schools	14 963	14 256	- 727
Aboriginal Education Programs	7 507	7 629	122
Batchelor College			
Aboriginal Education Programs	6 636	2 080	- 4 756
Centralian College			
Aboriginal Education Programs	381	300	- 81
Department of Primary Industry and Fisheries			
BTEC	1 215	1 172	- 43
National Landcare	185	259	74
Power and Water Authority: Water Resources			
National Landcare	312	185	- 127
Water Watch (NT)	58	58	
Monitoring River Health	122	122	
Department of Housing and Local Government			
Mortgage and Rent Assistance Program	297	297	
Local Government - Financial Assistance	7 755	8 022	267
Local Government - Identified Roads	8 367	8 675	288
SPECIFIC CAPITAL-PURPOSE GRANTS	76 741	71 317	- 5 424
Department of Lands, Planning and Environment			
National Estate Grants Program	327	288	- 39
Department of Transport and Works			
Australian Land Transport Development	31 420	23 200	- 8 220
Interstate Road Transport		80	80
Strategic Roads on Aboriginal Lands	5 200	5 200	
Territory Health Services			
Blood Transfusion Services	138	46	- 92
Remote Areas Funding Program		225	225

(Continued)

Figure 3.1: COMMONWEALTH GRANTS - Continued

	1995-96 Actual	1996-97 Budget	Variation
	\$000	\$000	\$000
SPECIFIC CAPITAL-PURPOSE GRANTS (continued)			
Department of Education			
Government Schools	1 747	3 059	1 312
Non-Government Schools	2 635	2 735	100
Aboriginal Education Programs		1 680	1 680
Power and Water Authority : Aboriginal Essential Services			
National Landcare Program		350	350
Department of Housing and Local Government			
Pensioner Housing Grants	523	523	
Housing Assistance for Aborigines	19 669	19 458	- 211
Untied Housing Assistance	13 510	13 510	
Community Housing Program	1 016	662	- 354
Crisis Accommodation Program	476	381	- 95
GRANTS DIRECT FROM THE COMMONWEALTH	67 929	81 760	13 831
Northern Territory Treasury: Corporation	5 581	5 624	43
Aboriginal Areas Protection Authority	1	24	23
Department of Lands, Planning and Environment	168	299	131
Northern Territory Correctional Services	200	400	200
Parks and Wildlife Commission of the Northern Territory	1 403	1 688	285
Department of Asian Relations, Trade and Industry		284	284
Territory Health Services	6 141	3 595	- 2 546
Northern Territory University			
Higher Education (Current)	26 545	26 838	- 1 707
Higher Education (Capital)	3 817	16 431	12 614
Other Commonwealth Grants	636	436	- 400
NT Employment and Training Authority			
ANTA Recurrent	8 690	8 870	180
ANTA Capital	4 476	4 718	242
Other Commonwealth Grants	1 005	440	- 565
Department of Education	36	156	120
Batchelor College			
Higher Education (Current)	3 681	6 901	3 220
Higher Education (Capital)		905	905
Department of Primary Industry and Fisheries	3 249	4 051	802
Office of Aboriginal Development	100	100	

Total Commonwealth Grants

Commonwealth grants in the Territory's Budget in 1996-97 are \$1 241 million, an increase of \$13 million compared with 1995-96. This is made up of \$931 million in general purpose grants, an increase of \$17 million, and \$310 million in specific purpose grants and grants paid direct to Agencies, a decrease of \$4 million.

General Current-Purpose Grants

Financial Assistance Grants

The Financial Assistance Grants (FAGs) paid by the Commonwealth to the States and Territories are provided as untied funds to be used at the discretion of each jurisdiction.

The total 1996-97 FAGs to be distributed amongst all States and Territories is estimated at \$15 534 million. This amount has been calculated by:

- indexing the 1995-96 base FAGs pool by the estimated Consumer Price Index (CPI) increase of 2.8 per cent for the four quarters ended March 1996;
- further indexing the total by 1.2 per cent, representing the estimated growth in the total Australian population during the year ended December 1995; and
- deducting an estimated \$379 million for Special Revenue Assistance to be funded from the pool in 1996-97 (New South Wales \$154 million, Victoria \$215 million, and NT \$10 million).

The Territory's share of the resulting 1996-97 FAGs pool (excluding Special Revenue Assistance taken out of the pool as set out above) is calculated by applying the per capita relativities for each State and Territory arising from the Commonwealth Grants Commission's *Report on General Revenue Grant Relativities 1996 Update* weighted by estimates of each State's population as at 31 December 1996.

This results in an estimated Territory share of the combined pool of FAGs and Hospital Funding Grants of 4.78 per cent in 1996-97 (compared with 4.89 per cent in 1995-96). The Territory is to receive an estimated \$905.1 million in FAGs in 1996-97, a nominal increase of \$14.3 million compared with 1995-96. (The outcome of the Premiers' Conference is described in more detail in *Budget Paper No. 5*.)

Special Revenue Assistance

The new Commonwealth Government has honoured a commitment given by the previous government to pay \$10 million in SRA in 1996-97. As in the case of the FAGs, the amount of SRA received in 1996-97 will be adjusted for variations between the CPI and population estimates adopted for FAGs calculation purposes at the June 1996 Premiers' Conference and the final determination of these parameters before the end of 1996-97.

The Territory continues to argue that Special Revenue Assistance (SRA) is required in recognition of fiscal disabilities experienced by the Territory, compared to other States, which lie outside the Commonwealth Grants Commission's fiscal equalisation processes. A joint Commonwealth and Northern Territory Treasury Officers' report on the Territory's Fiscal Disabilities was completed in February 1996 (see *Budget Paper No. 5*). Notwithstanding the report's findings that these disabilities exist, the Commonwealth Government has given no indication that assistance for these needs will continue to be provided after 1996-97.

Contribution to Commonwealth Deficit Reduction Program

At the 1996 Premiers' Conference, States and Territories agreed to contribute towards the Commonwealth's efforts to reduce its budget deficit. This is being achieved by a payment to the Commonwealth of an amount equivalent to the expected increase in the FAGs pool under the real per capita guarantee in both 1996-97 and 1997-98, and an amount of half the expected increase in 1998-99. In 1996-97, this means the States and Territories will collectively contribute \$619 million. Each State and Territory will pay an equal per capita share. The Territory's contribution is \$6.1 million in 1996-97.

Identified Road Grants (IRGs)

Identified Road Grants were originally special purpose grants to the States and Territories for roads under the former National Arterial Roads Program. They have been 'untied' and are being progressively absorbed into the FAGs pool over three years. Total grants in 1994-95 of \$350 million are indexed to the movement in FAGs.

In 1996-97 two thirds of the total IRGs is to be distributed according to the relativities used to distribute the FAGs and base HFGs pool; the remaining one third is to be distributed according to historic shares. The combined effect of these two methods of distribution is that in 1996-97 IRGs to the Territory are estimated

to total \$13.7 million, an increase on \$5 million from the previous year. From 1997-98, IRGs will be completely absorbed into the FAGs pool, and distributed entirely by the per capita relativities.

The CGC have taken the changing distribution method of IRGs into account in calculating the per capita relativities in its 1996 Update Report. Thus while the amount of IRGs for the Territory will increase by \$5 million, there is an offsetting reduction to the level of financial assistance grants.

Grant in Lieu of Uranium Royalties

Under the *Northern Territory (Self Government) Act 1978*, ownership of uranium was retained by the Commonwealth. A grant in lieu of uranium royalties equivalent to 1.25 per cent of sales revenue is paid to the Territory. A royalty of 4.25 per cent of sales from the Ranger mine is also collected for payment to the Aboriginal Benefits Trust Account.

General Capital-Purpose Grants

Capital Grants

From 1989-90 to 1993-94 inclusive, the Territory received a general capital-purpose grant of \$43.8 million under Australian Loan Council arrangements. At the March 1994 Premiers' Conference the Commonwealth unexpectedly announced cessation of this funding. Further comment is provided in *Budget Paper No. 5*.

The estimated capital grant of \$2 million to be received in 1996-97 relates to a grant under the 'Building Better Cities' program. This is classified as an untied grant though the use of the funds is tied and subject to Commonwealth approval of projects. These funds are to be used to facilitate the movement of the fuel tank farm from the Darwin central business district to an industrial land site at the new port on East Arm.

Community Health Infrastructure

Following the 1995 Premiers' Conference, the Commonwealth agreed to make an additional grant to the Territory of \$5 million per annum for remote community infrastructure to improve health conditions on Aboriginal communities. The grant was to commence in 1995-96 and continue for two further years to 1997-98, although no funds were received prior to the change of the Commonwealth Government. The new Commonwealth Government has verbally agreed to continue the program.

It is classified as a general purpose grant as the funds were to be used for the broad function of remote communities health infrastructure needs without the usual degree of joint approval normally associated with special purpose payments.

Specific Purpose Grants (SPGs)

Grants made in this form generally relate to agreements between the Commonwealth and Territory Governments under which the Commonwealth provides funds on condition that the Territory applies the grant moneys to specific purposes. Examples are the Commonwealth-State Housing Agreement, agreements under the *States Grants (Primary and Secondary Education Assistance) Act* and the Medicare Agreement.

Agreements may specify the performance by the Territory of various policy and administrative functions relating to whole programs, in addition to directions on the types of expenditure that are to be undertaken with related Commonwealth grant money. They may also contain 'matching requirements' meaning States/Territories must also contribute to the program. SPGs can therefore impose constraints on the Territory's broader overall, as well as detailed, budget decision-making processes; for this reason, they are also termed 'tied' grants.

Figure 3.1 lists over 65 categories of specific purpose grants, including those made direct to agencies. The estimated total of \$310 million to be received in this form represents 25 per cent of all Commonwealth grants for the Territory in 1996-97.

The decline in 1996-97 compared with 1995-96, of \$4 million or 1.3 per cent, is due to the Commonwealth's decision to cut the total amount of tied grants in 1996-97. An undertaking was given at the 1996 Premiers' Conference that this cut would be no more than three per cent. As the areas to be affected by the reduction in SPGs are unknown, an allowance for a \$6 million reduction in SPPs has been made in this Budget.

Explanations of the major SPGs and the changes occurring to some of the individual grants listed in Figure 3.1 are given in the following sections. Note that the estimates of grants to be received in 1996-97 are indicative only; the final amounts of any reductions in particular programs will not be fully known until after the Commonwealth Budget is delivered.

As can be seen from the details below, SPG arrangements can be extremely complex. It is the Territory's view that the administrative burden, duplication, overlap, and intrusion into State/Territory areas of responsibility means that the area is overdue for reform. These issues are discussed in *Budget Paper No. 5*.

Specific Current - Purpose Grants

School Education

In accordance with the National Objectives for Schooling, the Commonwealth provides specific purpose funding to address access and equity issues for targeted school students. Commonwealth programs for schools may contain a government element, a non-government element or a joint element. The Northern Territory Department of Education receives payments for non-government organisations and transfers them accordingly. Estimated receipts from this source in 1996-97 are \$29.9 million, down \$1.2 million from 1995-96.

Batchelor College and Centralian College - Aboriginal Education Programs

Funds are paid through the Department of Education and are forwarded to the Colleges for programs involving Post-School Aboriginal Education. In 1996-97, estimated receipts are \$2.4 million, compared to \$7.2 million in 1995-96. However, the apparent decline is largely offset by an increase in payments direct to these Colleges (see below).

Hospital Funding Grants and Medicare Base Grant

The present Medicare Agreements came into effect on 1 July 1993 and are intended to remain in place until 30 June 1998. The Medicare Agreements with the States and Territories are, in part, designed to promote increased public hospital provision. In 1996-97 the Territory will receive an estimated total of \$84 million from the Commonwealth under the Medicare Agreement.

Under the terms of the Agreement, the Base HFGs pool in 1993-94 was reduced by \$400 million. This pool, indexed for movements in CPI, award wages, and population, is distributed on an age and sex weighted population basis. The Territory's Medicare Base Grant is estimated at \$26.6 million in 1996-97. The \$400 million removed from the Base HFGs pool was placed in a new Bonus Payments pool, and augmented by \$200 million from the Commonwealth. The Bonus Payments pool is indexed annually on the same basis as the Base HFGs pool. Funds from the Bonus Payments pool are distributed to States and Territories in the form of the following bonus grants:

- a Base Provision (Bonus Pool A) grant, related to the numbers of public and private patients treated in public hospitals before the commencement of the Agreement (the NT receives a relatively high per capita share of the base provision due to its very large proportion of public patients);

- an Annual Adjustment Pool (Bonus Pool B) grant, which may be positive or negative, related to the level of public provision in the relevant grant year compared to the level of public provision before the commencement of the Agreement; and
- a Medical Benefits Supplement (MBS) which can be a positive or negative adjustment, based on differences between Commonwealth per capita medical benefits expenditure in each State or Territory and average per capita medical benefits expenditure.

As specified in the Agreements, the 2 per cent fall in private health insurance nationally since 1 July 1993 requires a reconsideration of the provisions of the Agreement relating to the Annual Adjustment (Bonus Pool B) grants.

The Commonwealth also provides Incentive Packages to the States and Territories to improve public hospital services. Other grants are provided in support of projects to encourage innovation and accelerate mental health reform. Annual grants instituted prior to the current Medicare Agreement have continued for Post Acute and Palliative Care, Day Surgery and AIDS.

Other Health and Community Services Related Grants

Home and Community Care (HACC): this program provides support to enable frail aged and disabled persons at risk of institutionalisation to remain at home.

Supported Accommodation Assistance (SAAP): this program provides accommodation and support services for homeless people and people in crisis.

National Women's Health: aims to improve health care for women in Australia, targeting those most at risk, and to encourage the health system to be more responsive to the needs of women.

Women's Health Screening: these funds are provided by the Commonwealth for cervical cancer screening; the Commonwealth has not yet determined the unmatched component of 1996-97 funds, which is therefore not included in estimates for 1996-97 although total funds provided are likely to be similar to 1995-96.

Breast Cancer: a mammography screening program, funded by the Commonwealth on a per screening basis, which commenced in 1994-95.

Pensioner Concession Scheme: annual funding of this program is based on the number of Commonwealth card holders in the Territory.

Ambulatory Care: funds have been made available by the Commonwealth to investigate the delivery of hospital related ambulatory care.

Mortgage and Rent Assistance Program

This grant provides funds for emergency bond and rental assistance for eligible persons renting in the private market. Rental is supplemented whilst people are awaiting Housing Commission accommodation. Payment is \$60 per week maximum per family or individual, to a limit of \$10 000. The Territory will receive \$0.3 million under this program in 1996-97, unchanged from the previous year.

Local Government - Financial Assistance

The Territory will receive approximately \$8.0 million in Commonwealth funding for onpassing to local government authorities in 1996-97. The current per capita distribution among States and Territories of these funds does not take into account the relative disabilities faced by the local government sector in the Territory compared to those in other States. This was highlighted by the findings of the Commonwealth Grants Commission's *Report on the Interstate Distribution of General Purpose Grants for Local Government 1991* which included options for distributing these grants among the States on a fiscal equalisation basis.

While this report was not implemented by the previous Commonwealth Government, the current Government has indicated that it is willing to reconsider the issue. Consequently, at the 1996 Premiers' Conference, it was decided that the Territory would present a report on the issue to the next meeting of the Council of Australian Governments.

Local Government - Identified Roads

An estimated \$3.7 million in identified road funds is to be received in 1996-97, for distribution as general purpose funds to the seven major municipal councils in the Territory on the basis of recommendations of the Northern Territory Local Government Grants Commission and Ministerial approval. An estimated \$5 million in identified road funds are also to be received in 1996-97 for distribution as general purpose funds to the non-municipal councils.

Corporate Affairs Revenue Foregone

Under the *Heads of Agreement on Corporate Regulation* the Commonwealth agreed to reimburse the States and Northern Territory for revenue foregone on the takeover of corporate regulation by the Commonwealth. The original pool in 1989-90 of \$102 million has been increased each year in line with CPI increases. The Territory's \$1.9 million in 1996-97 is 1.5 per cent of the total pool.

Legal Aid

Legal Aid Commissions are established under State and Territory law in a form agreed with the Commonwealth. The cost-sharing arrangement for Northern Territory Legal Aid involves Commonwealth base funding assistance decreasing by 5 per cent each year until this year when the Commonwealth contribution will have fallen to 60 per cent. At the same time the Territory contribution will increase by 5 per cent each year and has now reached 40 per cent. The estimated grant in 1996-97 is \$2.6 million.

National Landcare

The National Landcare Program aims to achieve efficient, sustainable and equitable management of natural resources in Australia. The Department of Lands, Planning and Environment, Power and Water Authority and Department of Primary Industry and Fisheries receive funds under this Program. The program is winding down, with the result that \$0.9 million is estimated to be received this year, down from \$2.8 million in 1995-96.

Brucellosis and Tuberculosis Eradication Campaign (BTEC)

From 1 December 1992 the BTEC changed from an eradication program to a monitoring program. Funding is diminishing progressively over the five year monitoring phase. Funding is shared between governments and industry, with the Commonwealth contributing 20 per cent (\$1.2 million in 1996-97), the Territory Government contributing 30 per cent and industry contributing 50 per cent.

Specific Capital - Purpose Grants

School Education

Capital grants for government and non-government schools are provided under two streams - general capital, and capital grants under the Aboriginal Education Program (AEP); the latter aims to enhance quality and access to education and hence improve the learning outcomes of Aboriginal students. Total grants in 1996-97 are estimated to be \$7.5 million, up from \$4.4 million in 1995-96.

Housing Assistance for Aborigines

This grant provides funds towards the provision of housing and infrastructure in Aboriginal communities. These funds (\$19.5 million) have been fixed at the same level in nominal dollars for several years. The funds are now paid over to the Aboriginal Housing Corporation, established in 1995, which pools funds from the Territory and Commonwealth sources to better coordinate the delivery of housing to Aboriginal communities.

Untied Housing Assistance

In accordance with the Commonwealth-State Housing Agreement, funds are provided by the Commonwealth to assist with capital expenditure on public rental housing throughout the Territory. Funding to the States and Territories in past years has been fixed at the same level in nominal dollars and distributed to States on a per capita basis. The Territory currently receives \$13.5 million

Australian Land Transport Development

From 1 January 1994 the Commonwealth ceased to have direct funding responsibility for all roads other than the National Highway system. As mentioned under General Current Purpose Grants, \$350 million of road grants previously provided to States as part of the Commonwealth Roads Program is being progressively absorbed into the untied FAGs pool.

The Post-1993 Commonwealth Road Program (Australia Land Transport Development Program) runs for three years and has an annual budget of \$820 million. The Program covers a national network of roads comprising the National Highway system, which now includes the Sturt and Newell highways, and urban roads linking the current points of termination of the National Highway system in Sydney, Melbourne, Brisbane, Perth and Adelaide. The Territory will receive \$23.2 million under the program in 1995-96, down from \$31.5 million the previous year.

Grants Direct from the Commonwealth

The significance of this category which distinguishes it from other SPPs is the level of Commonwealth responsibility involved. In respect of higher education the Commonwealth carries the prime responsibility although the Northern Territory has continued to provide a high level of commitment in this area. However, the arrangements for debt redemption assistance recognise that this was a Commonwealth responsibility which was transferred to the States.

Northern Territory University: Higher Education

The Commonwealth provides current funding to universities on a rolling triennium basis which is reviewed and adjusted each year. Funding is a function of an agreed student load and indexation. Funds for Higher Education (Capital) were previously provided on a project by project basis. While a proportion of funds will continue to be allocated on this basis over the next few years, funding is gradually moving towards the allocation of a capital grant based on student load. Funding in 1996-97 is currently estimated to be \$43.7 million, up from \$33.2 million in 1995-96. However, it is expected the Commonwealth will announce significant changes to higher education programs in its Budget.

Northern Territory Employment and Training Authority

Since 1 January 1994 the *States Grants (TAFE Assistance) Act* has been replaced by the *Vocational Education and Training Funding Act 1992*. Under the new Act, Commonwealth grants for vocational education and training are made through the Australian National Training Authority (ANTA) direct to each State/Territory Training Authority under the *National Vocational Education and Training Agreement*. Thus, the Northern Territory Employment and Training Authority (NTETA) receives the grants directly from the Commonwealth.

The State and Territory distribution of ANTA recurrent grants, other than national project funding, is based on vocational education and training funding paid in respect of the preceding year.

Since 1994, Capital Development Plans (CDPs) have replaced project by project approval of Commonwealth grants for ANTA capital purposes. CDPs link decisions on capital works to industry and other State/Territory priorities.

Grants in 1996-97 are currently estimated to be \$14.0 million, slightly lower than in 1995-96.

Batchelor College

A payment is made directly to Batchelor College for Post School Education and Training of Aborigines. The grant comprises funding for current and capital purposes, and is expected to be \$7.8 million in 1996-97, up from \$3.7 million the previous year. However, the increase is largely offset by a decline in the corresponding SPP paid through the Territory.

Northern Territory Treasury Corporation: Debt Redemption Assistance

The Commonwealth provides compensation payments, based on a spread of 1.1 per cent between interest rates incurred by the Territory on its borrowings to replace debt previously issued by the Commonwealth as compared to rates which would have applied to raisings by the Commonwealth on the Territory's behalf. Compensation is also provided in relation to the reduced Commonwealth contributions to the Territory Debt Sinking Fund due to the accelerated rate of debt redemption.

These payments were previously classified as Specific Current-Purpose Grants. With the establishment of Northern Territory Treasury Corporation on 1 July 1994 to take responsibility for the Territory's public sector borrowings and investments, the payments are now treated as a grant direct from the Commonwealth to the Corporation. The Corporation will receive an estimated \$5.6 million in 1996-97.

Comparisons between the Territory and the States

Budget Paper No.5 contains extensive analysis of the Territory's budgetary position vis-a-vis the States. In addition, as the details regarding the payment of SPPs was not provided at Premiers' Conference, so timely interstate comparisons of total grants are not available at the time of writing. However, 74 per cent of the Territory's Commonwealth grants are accounted for by FAGs, which are distributed according the Commonwealth Grants Commission's per capita relativities. The issues affecting the Territory's share of these grants follows.

The 1996 CGC Update Report

The Commonwealth Grants Commission's *Report on General Revenue Grant Relativities 1996 Update*, released at the end of February 1996, recommended revised relativities for distributing the 1996-97 pool of general revenue and hospital funding grants. Subsequent to the release of the 1996 Update, the Western Australia Treasury identified a calculation error in the CGC's treatment of grants in lieu of royalties paid to WA. This revision further reduced the assessed relativity for the Territory from the previous year (from 5.0332 to 4.87829). The end result was a significant implied redistribution of general revenue of \$27.4 million (or \$157 per capita) from the Territory to the other States. The revised relativities were accepted by the 1996 Premiers' Conference.

The Commonwealth Grants Commission conducts five yearly major reviews interspersed with annual updates of relativities. The 1996 Update continued the pattern first established after the 1988 Review where the findings of major reviews are updated annually. Information on the Commission and the research program being undertaken as part of the next major review in 1999 is included in the Appendix.

Figure 3.2

	Comparison of Relativities					
	Relativities		Allocations		Variation	
	1995 Update	1996 Update	1995-96 Budget	1996 Update	\$M	\$/capita
NSW	0.8743	0.87504	5 522	5 529	7	1
Vic	0.8506	0.87609	3 947	4 067	120	27
Qld	1.0435	1.04209	3 545	3 542	-3	-1
WA	1.0521	1.01100	1 886	1 813	-73	-43
SA	1.2047	1.18805	1 830	1 805	-25	-17
Tas	1.5437	1.54678	751	753	2	4
ACT	0.8916	0.88915	281	280	-1	-3
NT	5.0332	4.87829	902	875	-27	-157
TOTAL	1.0000	1.00000	18 664	18 664	0	0

Source: 1996 Update Report, Commonwealth Grants Commission

Figure 3.2 shows the effect of applying the 1996 recommended relativities compared with the 1995 relativities to the same notional pool of grants. On this basis of comparison, there is effectively a redistribution of \$129 million to New South Wales, Victoria and Tasmania from the other States and Territories.

The significant reduction in the Territory's recommended relativity is due to:

- revisions to past data -\$24.3 million
- interactions between factors assessed by CGC -\$1.7 million
- net effect of substituting data from 1994-95 for 1989-90 -\$1.4 million

The major feature of the 1996 Update from a Territory perspective is the significant effect caused by revisions to data. New South Wales and Victoria, in particular, made substantial revisions. In a number of areas, the result was to shift expenditure from areas where these States have a relatively low disability factor to another where their disability factor is high. As the two largest States, the revisions had a marked impact on the CGC's assessment model. The major examples of this and their effect on the Territory are:

- Debt charges (-\$8.8 million) - mainly due to NSW and Victoria correcting double counting and transferring debt charges from this category to others where they receive a larger assessment (and the Territory a lower assessment); and
- Community Health (-\$6.3 million) - mainly due to a reclassification of NSW outpatient and ambulance services from Community Health to Hospitals. The Territory has a much higher relative disability in the former category.

Other important reductions were:

- \$7.2 million due to higher ATSIC grants being treated by the CGC as substituting for Territory expenditure and resulting in a reduction of assessed needs; and
- \$2.7 million due to the removal of double counting in Isolation data reported for the Territory.

The impact of these data revisions calls into question the effectiveness of the CGC's intention to ensure that policy actions by individual States cannot unduly alter the distribution of grants in their favour. It also

destroys the expectation that the use of a five year moving average would limit the degree of volatility in grant shares from year-to-year. This is a matter the Northern Territory will take up, again, in its forthcoming submission to the CGC's 1999 Review.

TERRITORY BORROWING AND ADVANCES

Public sector borrowing, broadly defined, is an important source of funding for publicly-provided capital assets and infrastructure needed not only for social well-being but also for growth in productive capacity and income of any State or Territory.

Territory borrowings comprise domestic and off-shore issues, including Territory Bonds raised from the Australian public by the Territory in its own name. Borrowings, excluding refinancing, will decline from \$95 million in 1995-96 to \$67 million in 1996-97.

Included in Territory Borrowings is \$11 million for capital expenditure purposes, compared to \$38 million in 1995-96. The remaining \$56 million, down slightly from \$57 million in 1995-96, will be raised to refinance maturing Commonwealth debt.

Territory Advances paid to the private sector are principally Northern Territory Housing Commission loans. While lending by the Housing Commission will increase this year, repayments from existing borrowers continue to be greater than the amount of new loans.

Borrowings and advances are two key components of net debt (the other being offsetting cash balances). The 1996-97 Budget projects that Territory net debt at the end of 1996-97 will be \$1 323 million.

The measures of the appropriateness of the Territory's debt relative to the States are likely to be marginally improved as a result of the fall in net debt from June 1995 to June 1997. In particular, interest as a proportion of total revenue will fall from 12.5 per cent in 1995-96 to 12.1 per cent in 1996-97, compared to the latest available States' average (1995-96) of 14.6 per cent.

This is in accordance with the Northern Territory Government's fiscal strategy.

Territory Borrowings include borrowing for infrastructure projects as well as a substantial component for refinancing of Commonwealth advances (also known as general purpose capital advances) with borrowings in the Territory's own name.

In 1996-97 the Territory's approved Loan Council Allocation is \$30 million. After allowing for standard adjustments such as the provision for lease payments and the different coverage of Loan Council, the Territory will be well within that allocation.

The Territory also refinances its own debt when it matures, with generally a favourable net effect on the budget as maturing debt is refinanced at lower interest rates. In 1996-97 the Territory will borrow, for refinancing purposes, \$79 million compared to \$235 million in 1995-96; the gross borrowing program for this year is thus down from \$330 million in 1995-96 to \$147 million.

Territory Advances Repaid includes all repayments of loan or advance principal to the Territory Government and its Agencies. The largest component is the repayment of Housing Commission loans by home buyers. It also includes small amounts for repayments of borrowings by local government authorities and borrowers under various Territory Government industry assistance schemes. (All advances repaid by Territory authorities to the Treasury are treated as intrasector receipts.)

Territory Advances repaid are projected to decline by \$5.8 million in 1996-97 as a result of an anticipated reduction in home loan mortgage discharges.

The greater part of **Commonwealth Advances Repaid** relates to the refinancing of Commonwealth Advances. Under a process approved at the 1990 Loan Council Meeting, existing debt to the Commonwealth maturing within a budget year is being converted to loans issued in the name of the

Territory Government. The amount repaid depends on maturities in any one year. In 1996-97 \$56.3 million of Commonwealth Advances will be refinanced compared to \$56.9 million in 1995-96.

The remainder is made up of the Territory's contribution to the National Debt Sinking Fund (\$1.8 million in 1996-97) and other repayments of principal (\$3.7 million in 1996-97) relating mainly to debt assigned to the Territory by the Commonwealth at Self-Government. Repayments to the Commonwealth will continue to diminish in significance while Commonwealth payments to the States and Territories remain restricted to grants.

Territory Advances Paid includes expenditure by Territory Agencies in providing loans to local government for provision of infrastructure, Territory businesses for economic development and individuals for home ownership. The major component relates to the Territory Housing Commission home loans scheme, but there is also a \$3 million provision for loans to local authorities.

The result of these transactions in 1996-97 will be a decrease of \$43.7 million in the Territory's **Net Borrowing and Advances**.

Figure 4.1: **TERRITORY BORROWING AND ADVANCES**

	1995-96 Actual	1996-97 Budget	Variation
	\$000	\$000	\$000
TERRITORY BORROWING	94 916	67 348	- 27 568
Northern Territory Treasury Corporation			
Territory Borrowing	37 968	11 000	- 26 968
Refinancing of Commonwealth Advances	56 948	56 348	- 600
Refinancing of Territory Debt	234 717	79 285	- 155 432
less Territory Debt Repaid	234 717	79 285	- 155 432
TERRITORY ADVANCES REPAID	39 947	33 730	- 5 816
Northern Territory Treasury Corporation	2 890	2 489	- 401
Department of Lands, Planning and Environment	4	2	- 2
Department of Asian Relations, Trade and Industry	39	40	1
Department of Primary Industry and Fisheries	870	603	- 267
Northern Territory Housing Commission : Lending	36 144	30 596	- 5 548
<i>less</i>			
COMMONWEALTH ADVANCES REPAID (a)	62 748	61 218	- 1 530
Northern Territory Treasury Corporation	62 748	61 218	- 1 530
TERRITORY ADVANCES PAID (a)	15 068	26 920	11 851
Northern Territory Treasury Corporation		1 361	1 361
Department of Asian Relations, Trade and Industry	80	300	220
Department of Primary Industry and Fisheries	602	665	63
Department of Housing and Local Government	430	2 970	2 540
Darwin Port Authority	438	481	43
Northern Territory Housing Commission : Lending	13 518	16 142	2 624
Power and Water Authority : Commercial Services		5 000	5 000
<i>equals</i>			
NET BORROWING AND ADVANCES	57 047	12 940	- 43 705

(a) Recorded on Outlays side of Budget

Impact on Territory Public Sector Debt

The Northern Territory's traditional budget presentation treats borrowings and advances as receipts, while repayments of borrowings and new lending by the Territory to Territory Government agencies and business divisions are recorded as expenditure.

The presentation in the Economic Transactions Framework, in contrast, shows both borrowings and advances as financing transactions which is the more appropriate treatment for most purposes.

All transactions affect measures of the Territory's net debt, which is equal to gross debt less financial assets. Borrowings and advances received or repaid to the Territory increase gross debt, while new lending by the Territory increases the Territory's financial assets thus reducing net debt.

The following section shows the impact of borrowings and advances on the Territory's gross debt and net debt after offsetting changes in the Territory's holdings of financial assets, principally cash balances. To facilitate comparisons with the States, the measures used are based on the Australian Bureau of Statistics' Economic Transactions Framework presentation.

At 30 June 1995 the Northern Territory public sector had a gross debt of \$2 109 million, offset by financial assets of \$700 million, leaving net debt of \$1 409 million.

As at 30 June 1996, Northern Territory net debt had declined to \$1 339 million and by 30 June 1997 it is anticipated that net debt will have reached \$1 323 million.

Figure 4.2

Northern Territory Government Debt			
	Gross Debt	Financial Assets	Net Debt
	\$M	\$M	\$M
As at 30 June 1997 (est) Consolidated Total	2 142	819	1 323
As at 30 June 1996 (est) Consolidated Total	2 141	803	1 339
As at 30 June 1995 Consolidated Total	2 109	700	1 409

Source: Public Sector Financial Assets and Liabilities, ABS Cat. No. 5513.0; and Budget Paper No. 5 1996-97.
Note: Financial estimates are based on the standard ABS presentation.

Figure 4.3

Northern Territory Gross and Net Debt

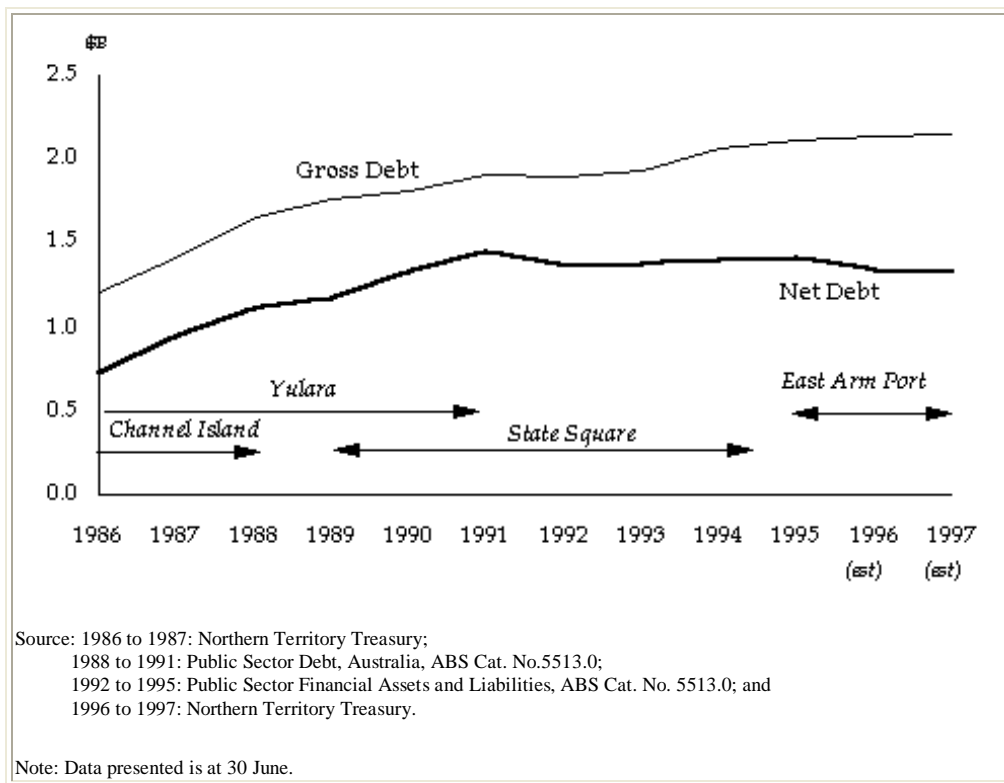


Figure 4.3 shows the growth that has occurred in Northern Territory gross and net debt. It shows the growth associated with major projects such as the construction of Channel Island power station, the State Square project, Yulara tourism development and the provision of infrastructure at East Arm Port.

Interstate Comparisons

The 1996-97 Budget will change the Territory's gross and net debt position relative to the States. While a number of comparisons are possible and will be provided in the Supplement to the Treasurer's Annual Financial Statement, only three comparisons are included here.

The **composition of public sector budgets** varies from State to State. As shown in Figure 4.4, the structure of the Northern Territory budget is not dramatically different from that of the average of the States except for the ratio of Commonwealth grants to own-source revenue, where the Territory has a much higher reliance on Commonwealth revenue due to its own limited revenue base. However, the table also shows the Territory is less reliant on net debt to finance expenditure than the average of the States.

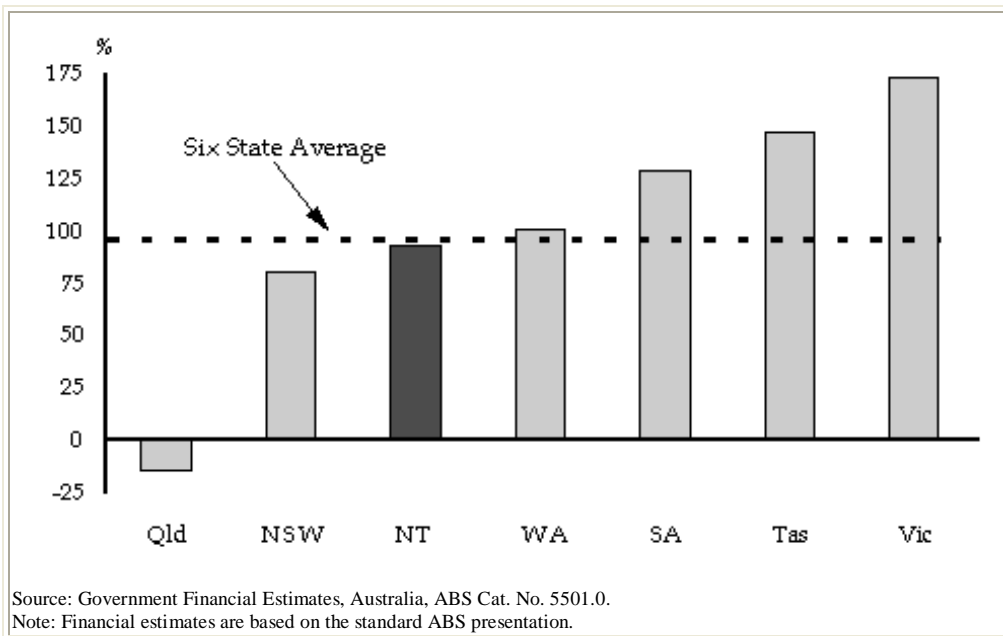
There is considerable diversity among jurisdictions in the ratio of **net debt to total revenue**. As at 30 June 1995, these ratios ranged from -14.8 per cent in Queensland, up to 173.7 per cent in Victoria. The Northern Territory was (93.2 per cent) some two percentage points below the average for the six States. Similar figures are as yet unavailable for the States beyond 1995. However, this ratio for the Territory has improved to 81.2 per cent during the year to 30 June 1996 as the level of net debt declined. By 30 June 1997 it is anticipated that this ratio will be 78.6 per cent.

It is therefore likely that, barring any significant changes in the position of the States, the Territory would continue to be slightly below the average of States as at 30 June 1997 on this measure of the appropriateness of the level of debt.

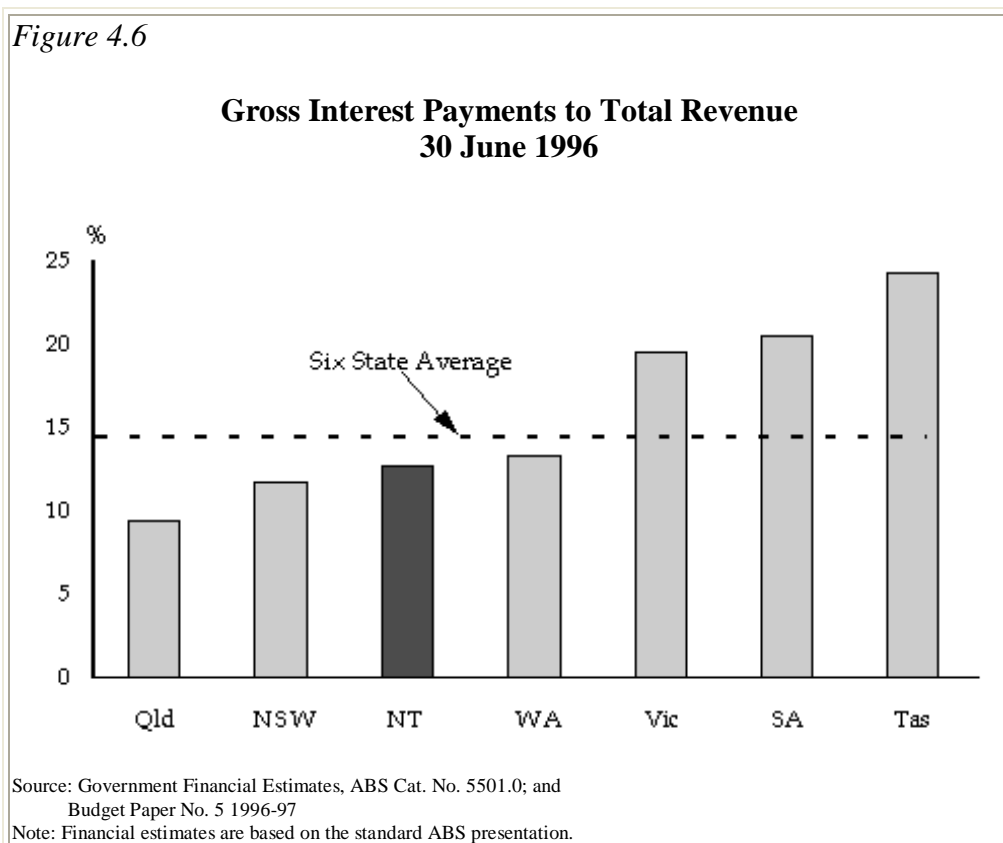
A similar picture emerges when **interest as a proportion of revenue** is compared. This is one key element of the Territory Government's fiscal strategy. The most recent comparable data for all jurisdictions is for 1995-96 and at that time, the Territory's ratio was 12.5 per cent compared to 14.6 per cent for the States.

Figure 4.5

**Net Debt as a Proportion of Total Revenue
30 June 1995**



The Territory's interest payments have essentially remained static since 1993/94 as a result of the combined influences of low levels of new borrowings and refinancing of existing debt at lower rates of interest. As revenue is expected to increase, the ratio is projected to be 12.2 per cent in 1996-97. Provided there are no unusual outcomes in the States, the Territory should remain below the State average cost of debt servicing.



INTRASECTOR RECEIPTS

To varying degrees, all governments adopt the practice of charging for goods and services provided by one agency of government to another agency within the public sector. Such a movement of funds is described here as an 'intrasector' transaction.

For example, pay-roll tax is paid by government agencies to a central agency, dividends are paid by business divisions to Treasury, and a number of agencies distribute grant funds to other agencies.

These payments and receipts are isolated in the Budget to enable an undistorted picture of the net effect of government operations on the private sector.

In addition to identification of intrasector receipts for overall budget analysis, the application of intergovernment charging facilitates accountability and control over agency funding.

Intergovernment charging for services provided by business divisions (which generally operate in contestable markets), is one means of ensuring that those agencies purchasing services recognise the cost of the services they consume and hence make informed decisions regarding the management of resources under their control. This is an important element of microeconomic reform.

However, because payments to business divisions are treated the same as other payments to the private sector, these do not show up as intrasector receipts.

In other cases where charging for the resource is not the prime motivation, there is still an issue of control of resources which requires proper management and accountability by all agencies involved.

Intrasector Receipts

Figure 5.1 summarises the main intrasector payments, that is payments by one Northern Territory Government agency to another. It is recorded here as a separate item in order to better isolate and identify the net impact of the Territory Government budget on parties outside the public sector.

Intrasector transactions are counted twice in the Budget, once as an outlay by the agency making the payment to another Territory agency and again as an outlay by the receiving agency when it spends the money. This budget treatment ensures that the agency making the payment identifies it as a cost that it must manage, but unless the more significant transactions are identified, there can be incorrect conclusions drawn about trends in the public sector as a whole. Explanation of each of the major intrasector receipts categories follows.

Dividends and statutory payments relate to the distribution of surplus funds from TAB, Racing and Gaming Authority, Power and Water Authority, Northern Territory Treasury Corporation and Darwin Port Authority in accordance with the relevant legislation or the Treasurer's directions.

Pay-roll tax paid by General Agencies identifies the contribution by the non commercial public sector to total Pay-roll tax collections. Pay-roll tax paid by business divisions is not classified as an intrasector transfer, but is effectively treated as a payment from outside the public sector.

The **stamp duty equivalent** payments made by the Housing Commission to Treasury reflects stamp duty exemptions made to first home buyers in the Territory.

Interest and advances include all repayments of principal and interest from Territory agencies that have borrowed from the Northern Territory Treasury Corporation (or previously, from the Territory government.)

The major borrowers have been the Power and Water Authority, the Darwin Port Authority and the Housing Commission.

Working capital **advances from Northern Territory Treasury Corporation** will be made to business divisions in 1996-97 and these entities will also be receiving **Community or Government Service Obligation payments** (CSOs or GSOs, respectively), in recognition of their non-commercial Government obligations.

The **Sports and Recreational Development Fund** reflects the transfer from the Lotteries Fund to the Department of Sport and Recreation. The revenue is collected by the Lotteries Office but the expenditure of this hypothecated revenue is undertaken by the Department of Sport and Recreation. To properly account for these flows the funds are shown as a receipt and expenditure in both functions.

Vocational Education and Training (VET) funding involves a transfer of Commonwealth funds from the Northern Territory Employment and Training Authority to the Northern Territory University, the Department of Education and the colleges.

The central agency costs relating to the **Aboriginal Education Program (AEP)** conducted by the Northern Territory on behalf of the Commonwealth are recorded as intrasector receipts to identify the total costs of delivery of the programs within the Education sector.

Corporate Costs are recouped from PAWA : Aboriginal Essential Services by PAWA : Commercial Services, which performs corporate management duties on an agency basis.

The **Advances** from Northern Territory Treasury Corporation received by PAWA are for capital expenditure on Palm Valley gas field.

The Department of Housing and Local Government on-passes **Commonwealth-State Housing Agreement (CSHA) funds** to the Housing Commission. As the Housing Commission is a corporation sole, the Department of Housing and Local Government charges the Commission for administering its programs.

Figure 5.1: INTRASECTOR RECEIPTS

	1995-96 Actual	1996-97 Budget	Variation
	\$000	\$000	\$000
INTRASECTOR RECEIPTS	227 992	315 177	87 185
Northern Territory Treasury : Services			
TAB Distribution	2 433	2 376	- 57
Stamp duty equivalent from NTHC : Lending	3 350	3 416	66
Payroll tax paid by General Government Agencies	34 077	33 967	- 110
Distribution received from Lotteries	3 500	990	- 2 510
Transfer from NT Treasury Corporation		9 940	9 940
Dividends received from Business Divisions	2 750	29 377	26 627
Northern Territory Treasury Corporation			
Interest from Business Divisions	62 929	65 460	2 531
Advances from Business Divisions	25 444	20 770	- 4 674
Other	3 688	3 655	- 33
Northern Territory Treasury : Superannuation Office			
Superannuation contributions from NTU and LAC	2 519	2 213	- 306
Darwin Port Authority			
Advance from NT Treasury Corporation	15 315	25 744	10 429
Community Service Payment		1 668	1 668
Department of Transport and Works			
NT Fleet dividend	1 000	367	- 633
Department of Transport and Works : Construction Agency			
Advance from NT Treasury Corporation		2 970	2 970
Department of Transport and Works : NT Fleet			
Advance from NT Treasury Corporation		990	990
Community Service Payment		384	384
Department of Transport and Works : NCOM			
Advance from NT Treasury Corporation		2 022	2 022
Community Service Payment		97	97
Department of Transport and Works : Darwin Bus Service			
Advance from NT Treasury Corporation		861	861
Parks and Wildlife Commission of the NT : Wildlife			
Community Service Payment		2 574	2 574
Department of Sport and Recreation			
Sports and Recreational Development Fund	6 433	6 876	443
Territory Health Services			
SPP Oncosts	817		- 817
Northern Territory University			
VET receipts from NTETA	27 054	22 918	- 4 146
School education retention support	142	145	3
Department of Education			
VET receipts from NTETA	738	427	- 311
AEP costs	1 115	767	- 348
Transfer from Territory Health Services	90	262	172

(Continued)

Figure 5.1: INTRASECTOR RECEIPTS - Continued

	1995-96 Actual	1996-97 Budget	Variation
	\$000	\$000	\$000
INTRASECTOR RECEIPTS (continued)			
Batchelor College			
VET receipts from NTETA	\$4,226	\$4,704	478
Transfer from Territory Health Services	\$126	\$132	6
SPP oncosts	\$968	\$347	-19
Northern Territory Rural College			
VET receipts from NTETA	\$2,909	\$2,718	409
Department of Education receipts for secondary education	\$242	\$240	-2
Centralian College			
VET receipts from NTETA	\$5,268	\$5,111	-177
Department of Education receipts for secondary education	\$1,945	\$1,928	-17
SPP oncosts	\$30	\$25	-5
Racing and Gaming			
TAB Statutory Funds	\$3,458	\$3,216	-242
Power and Water Authority : Commercial Services			
Corporate costs recouped from PAWA : AES	\$4,779	\$5,075	296
Advances from NT Treasury Corporation	\$1,000	\$5,940	4,940
Community Service Payment		\$16,550	16,550
Northern Territory Housing Commission : Housing			
Commonwealth Housing funds		\$14,033	14,033
Northern Territory Housing Commission : Lending			
Community Service Payment	\$718	\$8,592	7,874
Department of Housing and Local Government			
Housing Commission administration charges	\$9,054	\$4,387	-4,667
Other Agencies			
Other	\$1,047	\$943	-104