

NORTHERN TERRITORY COUNCIL
OF
SOCIAL SERVICE

SUPPLEMENTARY SUBMISSION

to the

INQUIRY INTO GOVERNMENT EXPENDITURE
ON INDIGENOUS AFFAIRS AND SOCIAL SERVICES
IN THE NORTHERN TERRITORY

INTRODUCTION

During the Inquiry's hearings in Darwin the NT Council of Social Service was requested to provide comment on the second (2006-07) NT Government Indigenous Expenditure Review.

DIFFERENCES IN PURPOSE

Both the 2004-05 and the 2006-07 Indigenous Expenditure Reviews are only incidentally relevant to the statements made by NTCOSS and to the Terms of Reference of the Inquiry. We highlighted in our original submission various categories of social service where the actual expenditure reported by the NT Government was considerably less than the assessments by the Commonwealth Grants Commission (CGC).

In this context, I refer to the evidence given by Mr John Spasojevic, Secretary of the CGC. He confirmed:

- That the CGC “put out a data request every year asking (the States and Territories) for a break down of their expenditure in certain categories which align with the ABS government financial statistics classification, and they provide us with data consistent with that that we can use in our work” (Transcript of Canberra Hearings page CA5).
- “...every year we would get revised numbers for a new year on how much the states actually spent in those different categories” (Transcript of Canberra Hearings page CA 2)
- “The ABS has a classification which is common across all the states to which the states report data for government financial statistics. We use the same break-up and the states go to the task of allocating those things on a consistent basis in a comparable way across the states.” (Transcript of Canberra Hearings page CA6).

Mr Spasojevic also issued two cautions (“health warnings”):

- the GST pool distribution to states and the state budgets are both prospective documents, not retrospective, and there is therefore an element of uncertainty as to what the final figures will be; and
- difficulties can arise when one draws correlations between the policies of different states.

NTCOSS' original submission is entirely consistent with Mr Spasojevic's explanation of the data processes.

With regard to his cautions, we believe the differences between CGC assessments and NT actual expenditure are so extreme over a period of years as to render irrelevant the first warning.

Concerning the second warning, NTCOSS has not attempted to draw policy correlations between states.

NTCOSS' views in relation to the NT Government's spending priorities in key social areas remains unchanged from our original submission.

INDIGENOUS EXPENDITURE REVIEW 2006 – 07

NTCOSS continues to believe that the Indigenous Expenditure Review 2006-07 is largely irrelevant to the Inquiry because the spending issues remain as:

- **is this the money you got for these categories of expenditure?** and
- **is this the money you reported as spending in these categories?**

The evidence of the Secretary of the Commonwealth Grants Commission confirms that the answer to both questions is “yes”.

The 2006-07 Indigenous Expenditure Review is a virtual clone of the 2004-05 Review, still largely based on “judgments” and “estimates” of officials. We view it as being intended to distract attention from the core issue of spending in key social policy areas.

Our comments in Appendix 2 of our original submission apply in full to the 2006-07 Indigenous Expenditure Review.