



NORTHERN TERRITORY OF AUSTRALIA

OFFICE OF INDIGENOUS POLICY
DEPARTMENT OF THE CHIEF MINISTER

GPO BOX 4396
DARWIN NT 0801
TELEPHONE: (08) 8999 6079
FACSIMILE: (08) 89997005
Email: neil.westbury@nt.gov.au

SELECT COMMITTEE ON THE
ADMINISTRATION OF INDIGENOUS AFFAIRS

REC'D: 9 FEB 05

FROM: NT Govt

RECOMMENDED FOR PUBLICATION:

SECRETARY:



Mr Jonathan Curtis
Secretary
Select Committee on the Administration of Indigenous Affairs
Parliament House
CANBERRA ACT 2600

Dear Mr Curtis

Thank you for your letter of 20 September 2004 requesting answers to the two questions on notice from the public hearing of the Senate Select Committee in Darwin on 24 August 2004. Following your recent advice that the Inquiry is proceeding, I am pleased to be able to respond to both questions.

With respect to the first question on the proportion of administrative charges in health funding, it should be noted that, in the past, the treatment of administrative charges for special purpose grants has been a source of some confusion.

As the Committee would be aware, the administration of special purpose grants imposes a real cost on the Northern Territory Government, which the Government seeks to recoup, where appropriate, from the funding source. However, in practice each program is negotiated separately, resulting in different outcomes with respect to the administrative costs that can be charged against the program.

In general, administrative charges only apply to the salary component of the special purpose payment, the proportion of which varies depending on the agreement. In some cases it would also be appropriate to allow for the recognition of other costs such as property management. However, in practice the majority of the administrative costs flowing from health related special purpose payments are met by central and service agencies within the Northern Territory Government, such as the Department of Corporate and Information Services.

While it is not possible to provide a simple answer to the proportion of administrative charges in special purpose health funding, it is reasonable to say that the amounts charged are significantly less than the actual cost of administering the grant.

With respect to the second question on notice, I am enclosing a copy of Dr Taylor's monograph as requested. Further copies are available from the ANU Press.

Yours sincerely

NEIL D WESTBURY
Executive Director

7/2/05



Northern Territory Government