COMMONWEALTH OF AUSTRALIA
PARLIAMENTARY DEBATES

HOUSE OF REPRESENTATIVES
QUESTION
NORTHERN TERRITORY SELF GOVERNMENT

Procedural Text

PROCEDURAL TEXT

Wednesday, 14 September 1977

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES
Legislative Authority

The Legislative Assembly presently has authority in the broadest terms to make ordinances for the peace, order and good government of the Northern Territory. No change will be made in relation to this authority but in the coming months consideration will be given to means by which legislation in respect of matters not falling to the responsibility of the government of the Northern Territory will be introduced into the Assembly. At present the Administrator may reserve for the pleasure of the Governor-General any ordinance passed by the Legislative Assembly. In keeping with the principle that authority in government should equate to responsibility, the Government sees no reason to justify the reservation of ordinances in respect of matters for which responsibility has been transferred to the Northern Territory Government.

There is a body of Commonwealth legislation which has particular application to the Northern Territory. In general it is not intended to disturb such legislation at this stage other than in the following respects:

(a) The Payroll Tax (Territories) Act be amended to allow the Northern Territory government to impose a Northern Territory payroll tax;

(b) The Northern Territory Public Service to be excluded from the operations of the Ombudsman Act; and

(c) Capital works undertaken by the government of the Northern Territory to be excluded from the operation of the Public Works Committee Act.

Because important issues of national policy - for example, in relation to uranium - may make it desirable to have Parliament pass further legislation in respect of State-type activities, the Government does not undertake to refrain from introducing such legislation. However, the Government will only proceed in this manner in exceptional circumstances and even then only to the extent necessary to secure the relevant policy objective and in consultation with the government of the Northern Territory.

Financial Arrangements

The implementation of the proposed constitutional reforms will be dependent upon the finalisation of firm undertakings between the Commonwealth Government and the Northern Territory Executive on the financial arrangements that will apply when the Territory achieves self-government. The fundamental criteria governing financial assistance to the Northern Territory must be that, to the extent that citizens of the Territory determine the amount of government expenditure in the Territory, then mere should be procedures designed to ensure that there is a direct relationship between the amounts of such expenditure and the total level of taxes and charges levied in the Territory. In the absence of such procedures, self-government would fall short of being responsible government. It is proposed that this will be achieved by following financial arrangements broadly on the same lines as those that exist now between the Commonwealth and the States, due regard being had of course to the particular circumstances and disadvantages of the Northern Territory.

Consistent with this approach the Commonwealth will provide the government of the Northern Territory with personal income tax sharing payments as it does with the States. Consideration will be given to the possibility of the Northern Territory government having access to revenues from a Commonwealth income tax surcharge within the Northern Territory on the same basis as the proposals under stage 2 of the tax sharing arrangements with the States. Some Commonwealth funds will be provided as loan funds under the same terms and conditions as State borrowings through the Loan Council programs. Negotiations of the financial arrangements will take cognisance of any special disabilities of the Northern Territory as assessment will be made periodically of the fiscal disabilities of the Territory vis-a-vis the States.

As a general proposition the assets and liabilities relative to non-revenue producing functions will be transferred to the government of the Northern Territory without financial adjustment. Government business undertakings will be handed over as going concerns with financial adjustments as appropriate based on book values. Appropriate financial adjustment will be made in respect of agency services rendered as between the Commonwealth and the Northern Territory governments.
The Commonwealth will accept financial responsibility for any restoration or reconstruction of Territory assets that remains attributable to damage caused by cyclone Tracy. The establishment of a separate Northern Territory consolidated revenue fund to receive all revenues and from which all expenditures would be appropriated by the Legislative Assembly is an essential ingredient to the machinery for responsible government. Such a consolidated revenue fund will be established.

Transfer of Functions to the Northern Territory Government

It is proposed that the government of the Northern Territory assume responsibility for a wide range of specific referred powers of a Statetype nature. Details of the functions to be undertaken by the new government and the timetable for the transfer of responsibility are outlined in a statement which I seek leave to have incorporated in Hansard.