

# Agreement for additional Commonwealth funding for the Northern Territory

## Preliminaries

1. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the Northern Territory (NT).
2. This Agreement will support the provision of additional Commonwealth funding to the NT in the event that there is a funding shortfall to the NT as a result of the national funding cap for the period 2017-18 to 2019-20.
3. This Agreement should be read in conjunction with the *National Health Reform Agreement* (NHRA) and the *Intergovernmental Agreement on Federal Financial Relations* (IGA FFR).

## Term of this agreement

4. This Agreement will commence as soon as the Commonwealth and NT sign this Agreement and the addendum to the NHRA, outlined in the 1 April 2016 *Heads of Agreement between the Commonwealth and the States and Territories on Public Hospital Funding*, commences.
5. This Agreement will expire once the final reconciliation for the 2019-20 financial year has been completed, assessment of eligibility for payment under this Agreement has been finalised and, where relevant, processing of this payment. The Agreement may be terminated early or extended as agreed in writing by the Parties.

## Roles and Responsibilities

6. The Commonwealth agrees to be responsible for:
  - (a) monitoring the expected level of National Health Reform (NHR) funding provided by the Commonwealth, as advised by the Administrator of the National Health Funding Pool (the Administrator),
  - (b) determining whether payment is required under this Agreement and calculating the payment amount due; and
  - (c) should payment be required, providing a financial contribution to the NT in accordance with this Agreement.
7. The NT agrees to be responsible for providing accurate and timely activity forecasts and actual service data to the Administrator in accordance with the NHRA.
8. The Commonwealth and the NT agree to continue to fulfil their responsibilities under the NHRA.

## Financial arrangements

9. The Commonwealth will provide additional funding to the NT each year for the period 2017-18 to 2019-2020 should the funding cap, as detailed in the addendum to the NHRA, result in a funding shortfall for the NT, as calculated below.
10. Additional Commonwealth funding under this Agreement will be limited to a maximum of \$15 million per year.

## Eligibility for payment

11. In accordance with the NHRA and the *National Health Reform Act 2011*, following the annual reconciliation of actual hospital service data, the Administrator will advise the Commonwealth Treasurer of the NT's final Commonwealth Funding Entitlement.
  - (a) For the avoidance of doubt, the advice on annual reconciliation will be provided after the funding cap has been applied and any funding redistribution has occurred, consistent with Schedule I of the NHRA.
12. Upon receipt of this advice, the Commonwealth Treasurer (or delegate) will determine whether the NT's final Commonwealth Funding Entitlement is less than the uncapped Commonwealth funding entitlement.
13. Should the NT's final Commonwealth Funding Entitlement be less than the uncapped Commonwealth funding entitlement, the NT is eligible for funding under this Agreement for that financial year.
14. The financial contribution to the NT for a given financial year in respect of this Agreement will be the difference between the NT's final Commonwealth Funding Entitlement and the uncapped Commonwealth funding entitlement, up to a maximum of \$15 million in any given year.

## Payment conditions

15. Any payments made under this Agreement will occur following the completion of reconciliation under the NHRA in accordance with Schedule D of the IGA FFR. Payments will be made in the next available regular monthly payment from the Commonwealth Treasury to the NT Treasury.
16. Any funding provided under this Agreement will be provided outside of the NHRA and the National Health Funding Pool and will not contribute to the calculation of the funding cap under Schedule I of the NHRA.
17. Any payment made under this Agreement will be GST exclusive.
18. Any payments made under this Agreement will be included in annual acquittals reports provided to the Council on Federal Financial Relations.

## Post-payment variations

19. If after the completion of reconciliation under the NHRA (see clause 15), the Administrator revises state entitlements under Schedule I to the NHRA, and the

revision results in a revised final Commonwealth Funding Entitlement for the NT under clause 14, the Parties will determine appropriate payment or recoupment arrangements for any resulting variations to payment amounts under this Agreement.

### **Governance arrangements**

20. The Parties do not intend any of the provisions of this Agreement to be legally enforceable. However, this does not lessen the Parties' commitment to this Agreement.
21. The Agreement may be amended at any time by agreement in writing by both Parties.
22. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying the other Party in writing.
23. The Commonwealth Treasurer may delegate the assessment of eligibility for payment under this Agreement and the authorisation of related payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

### **Interpretation**

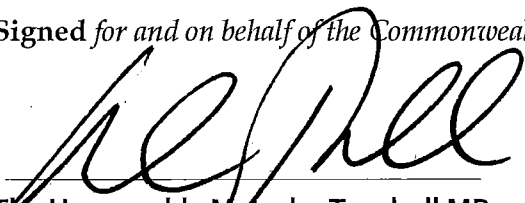
24. For the purpose of this Agreement, the NT's 'uncapped Commonwealth funding entitlement' refers to the 'uncapped Commonwealth funding entitlement' for the NT as determined in Schedule I of the NHRA.
25. For the purpose of this Agreement, the NT's 'final Commonwealth Funding Entitlement' refers to the 'final Commonwealth Funding Entitlement' for the NT as determined in Schedule I of the NHRA.

### **Dispute resolution**

26. Any Party may give notice to the other Party of a dispute under this Agreement.
27. Officials of both Parties will attempt to resolve any dispute in the first instance.
28. If a dispute cannot be resolved by officials, it may be escalated to First Ministers.

The Parties have confirmed their commitment to this agreement as follows:

*Signed for and on behalf of the Commonwealth of Australia by*

A handwritten signature in black ink, appearing to read 'M. Turnbull', written over a horizontal line.

**The Honourable Malcolm Turnbull MP**  
Prime Minister of the Commonwealth of Australia

[Day] [Month] [Year]

*Signed for and on behalf of the Northern Territory by*

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**The Honourable Michael Gunner MLA**  
Chief Minister of the Northern Territory

[Day] [Month] [Year]

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