

AGREEMENT BETWEEN THE COMMONWEALTH AND THE NORTHERN TERRITORY - GST TOP-UP PAYMENTS FOR 2019-20, 2020-21 AND 2021-22

As outlined in the Commonwealth Government's Interim Response to the Productivity Commission's Inquiry into Horizontal Fiscal Equalisation, the Commonwealth will provide short-term top-up payments to the Northern Territory to assist with the transition to the new GST distribution system.

Details of these GST top-up payments are as follows:

1. For the 2019-20, 2020-21 and 2021-22 payment years, the Commonwealth will make a top-up payment, for each payment year, if the Northern Territory's GST revenue sharing relativity for that year is below 4.66024.
2. The amount of the top-up payment will reflect the difference between the Northern Territory's GST revenue based on the determined GST revenue sharing relativity (if its GST revenue sharing relativity is less than 4.66024) and an amount equal to 4.66024 multiplied by its population share of GST revenue in that payment year.
3. The amount of the top-up payment will be calculated for each payment year based on:
 - 3.1. the GST revenue sharing relativity determined by the Treasurer under section 8 of the *Federal Financial Relations Act 2009* for the payment year; and
 - 3.2. the latest published Commonwealth Budget estimates of the GST revenue and population at the time the top-up payment is to be made.
 - 3.2.1. In 2021-22, estimates of the GST revenue will include the Commonwealth's \$600 million boost.
4. A top-up payment for a payment year will be made as a single annual payment by 31 August of the relevant payment year.
5. Consistent with GST payments, these top-up payments will be provided as untied general purpose grants, without conditions, for the Northern Territory to spend according to its own budget priorities.
6. The Commonwealth Treasurer will direct the Commonwealth Grants Commission (CGC) to exclude any top-up funding from its calculation of the GST revenue sharing relativities.

Signed for and on behalf of the
Commonwealth of Australia by



The Honourable Josh Frydenberg MP
Treasurer

25 / 2 / 2019

Signed for and on behalf of the
Northern Territory by



The Honourable Nicole Manison MLA
Treasurer

28 / 2 / 2019