
BUDGET SPEECH
AND
APPROPRIATION BILL

2002-03

Budget Paper No. 1

PART 1

BUDGET SPEECH

DELIVERED ON
20 AUGUST 2002
BY
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CHIEF MINISTER AND TREASURER
OF THE
NORTHERN TERRITORY OF AUSTRALIA

BUDGET SPEECH

One year and two days ago, Territorians voted for a change.

They wanted a new Government committed to the core issues: job creation, better education and health care, and building safer communities.

They wanted a fresh team, with energy and enthusiasm, and the ability to listen.

Above all, they wanted a strong economy, but an economy that would help lift *everyone's* fortunes from Nakara to Ngukurr to Nyirripi.

This is the mandate that I proudly assumed, along with my Labor team, a year ago – the first Labor team since Self-Government.

Today I am pleased to present the Territory's 25th Budget, my first as Treasurer and Chief Minister.

For all these reasons, this is an historic Budget. It is a Budget that delivers for Territorians today and invests for tomorrow.

The Territory's Budget has always been an opportunity to outline for Territorians how their finances will be managed. But the Territory is a society and a community, not just an economy – the Budget tells us how we deliver real programs to people with real needs. It is not only about numbers, it is about people and building partnerships with our community.

Importantly, it is also an opportunity to report on how we are progressing on our long-term commitments to the people of the Territory.

OVERVIEW

I am very pleased to stand here today and say there are positive signs that our economy is on the way to recovery. While we have further to go, we have certainly come a long way in the last year.

The Territory's official trend unemployment rate is down to 4.2 per cent, equal lowest in the nation – down from a rate of more than 7.5 per cent when we took office.

Under this Government, 3600 new jobs have been created, 2200 of them full-time positions.

Treasury forecasts the Territory economy will grow by 3.7 per cent this financial year, compared with 1.7 per cent for 2001-02 as the upswing continues. In addition, the latest Chamber of Commerce survey also confirms that business confidence is increasing, particularly in the retail and construction industries.

Household spending and private capital investment are expected to grow strongly, as the railway-related engineering and other construction projects proceed.

In response to the difficult situation we inherited from the previous Government, I have carefully formulated a responsible but responsive Budget which delivers results for Territorians today, while investing for future prosperity.

Honourable members will recall that when we gained office, we found the Budget deficit to be nine times higher than had been reported by our predecessors, with a debt that was growing at an unsustainable rate.

We took the only responsible course and immediate steps were taken to put the Budget back into eventual balance. The 2002-03 Budget continues that responsible path, and our plan for a balanced Budget by 2004-05 is on track.

BUDGET HIGHLIGHTS

The Mini Budget last November set us on the road to financial recovery. This Budget continues with strong fiscal management, but we have also been able to provide funding for new and expanded programs.

We all want a strong economy with the benefits shared by all Territorians.

That is why I have allocated significant resources to my Government's key priority areas of:

- improving health and education;
- fighting crime and anti-social behaviour to make our communities safer;
- creating jobs for Territorians and promoting economic growth; and
- providing access and opportunities for training and employment.

Among our most important measures, I am pleased to announce real increases in funding as follows:

- Health will increase by \$20 million to \$527 million – a 4 per cent increase;
- Employment, Education and Training will increase by \$14 million to \$505 million – a 3 per cent increase;
- Police, Fire and Emergency Services will increase by \$8 million to \$142 million – a 6 per cent increase; and
- Community Development, Sport and Cultural Affairs will increase by \$19.5 million to \$212 million – a 10 per cent increase.

I am also very pleased to announce a substantial increase in infrastructure investment. The total infrastructure investment approved in this Budget is \$432 million for capital works, repairs and maintenance, with a cash allocation of \$333 million. This is the largest investment in Territory infrastructure since Self-Government. This amount does not include PowerWater's spending which would take the total to \$513 million.

The Government has made this substantial investment to underpin our key priorities. It will also boost the construction industry at a time when it is most needed and will keep skilled tradespeople in the Territory.

I also want to outline two more key initiatives in this Budget aimed at increasing home ownership for Territorians, and making the Territory a more attractive place to live.

The stamp duty concession threshold for first home owners will be increased from \$80 000 to \$125 000, raising the maximum concession from \$2 096 to \$3 640.

In addition, for all other home buyers, a new rebate of up to \$1 500 will be available for contracts entered into, from today, for the purchase of a principal place of residence.

This means that, from today, every Territorian who buys their own home will get a rebate on their stamp duty.

Together, these two measures should assist more than 2 500 Territory households per year. Both initiatives should further improve home ownership rates, provide a much-needed boost to the residential housing market, and cut the cost of living for Territorians.

The new measures will see the Territory's stamp duty on the family home fall below the national average to be one of the lowest in the nation.

To assist business, we are also changing stamp duty arrangements applying to franchises. From today, the substantially lower lease rate of duty will be applied to the purchase and renewal of a franchise. We will introduce a new stamp duty exemption for certain

transfers of property between companies within a closely held corporate group. This exemption should assist businesses to establish more efficient corporate structures without incurring heavy costs.

These revenue measures will cost \$2.9 million. In fact, our taxes paid per Territorian remain the second lowest in Australia.

THE NORTHERN TERRITORY ECONOMY

Before turning to other key elements of the Budget, I would like to provide a brief report on the state of the Territory economy.

Last year, after two years of weak onshore growth, economic activity started to show signs of recovery.

In 2001-02, the Territory's gross state product is estimated to have increased by 1.7 per cent. This is less than the 5 per cent forecast in the Mini Budget, due to lower offshore oil production.

However, this reduction masked the pick up in onshore growth that has been experienced since November. Offshore oil production is anticipated to level out in the coming year.

Consumption, which is a good indicator of onshore economic activity, has strengthened. Investment in housing has started to recover and construction of the railway has provided a major boost to the economy.

Growth has not been experienced across all parts of the economy. Population growth was low due to net migration away from the Territory, although it is expected to pick up in 2002-03. The tourism industry suffered following the events of last September, but we are expecting a recovery in international visitors leading to stronger tourism growth.

As I have said, Treasury forecasts Territory gross state product to grow by 3.7 per cent in 2002-03, with solid growth in household spending.

Encouraging signs on the jobs front have been associated with an improvement in the unemployment rate. As I have said, since my Government took office, the trend unemployment rate has fallen from more than 7.5 per cent to 4.2 per cent.

Continued railway construction activity and a growing economy will lead to further employment growth. Tourism-related employment should strengthen as the industry recovers.

Price and wage pressures are expected to remain contained, with the Darwin consumer price index forecast to remain largely unchanged in 2002-03 despite the pick up in domestic activity. At the national level, there is likely to be a gradual easing in inflation throughout 2002-03, with levels falling back towards 2.5 per cent by year's end.

Although conditions appear to be improving, the overseas recovery is weak and the tail end of the world downturn will continue to dampen exports in the short term.

The upturn in Territory construction will continue in 2002-03. There will be strong growth in engineering construction related to the railway and stage 2 of East Arm Port. Solid growth is expected in office, retail and hotel-related building.

Over the medium term, Territory economic growth prospects are strong. Growth in Territory gross state product is forecast to average 5 per cent over the next five years.

The defence force plans further expansion and there are several potential gas-related projects under consideration.

Further out, the operational phase of the railway, scheduled to commence in 2004, will provide an important link between southern Australia and overseas markets. Combined with the new East Arm Port, the railway has the potential to see Darwin develop into a nationally important transport hub.

The outlook for energy production in the Timor Sea is very positive. Oil production will dominate in the short to medium term, while gas extraction and manufacturing could dominate in the longer term as we realise our vision of bringing gas onshore.

Plans to bring gas from the Bayu-Undan field to a liquefied natural gas plant in Darwin are expected to result in a five-fold increase in gas sales. The development of the larger Sunrise gas field in the Timor Sea is still under negotiation, but if brought onshore would have a substantial impact on the Territory economy.

SOUND FISCAL MANAGEMENT

This Budget continues my Government's commitment to financial management reform and this is the first Territory Budget to be prepared under the new *Fiscal Integrity and Transparency Act*.

I have taken the opportunity in this, my first Budget, to make some substantive changes to the information presented in the Budget Papers and related Budget books.

Budget Paper No. 2 is the Fiscal and Economic Outlook, the new Budget Paper which meets the requirements of the *Fiscal Integrity and Transparency Act* including a detailed discussion of the Government's fiscal strategy and the fiscal outlook.

Detailed information about agency budgets is now provided in *Budget Paper No. 3*, presented in terms of accrual operating expenses and outputs and outcomes. This is the first time agency budgets have been delivered in this way and performance measures and targets are detailed for each agency output.

Major changes have been made to the Budget related papers so that they are presented in a far more informative and accessible format.

An improved *Budget Overview* provides an excellent summary of the key features of the 2002-03 Budget.

Regional Highlights presents the Government's initiatives, programs and expenditures in the Budget in a single book. It provides details for each region in the Territory as well as Territory-wide information.

Building Our Community is a new book, which completes the set and provides a comprehensive summary of the Government's social initiatives, policies, programs and expenditures. It focuses on several important sectors of the community – women, children and families, seniors, youth, the disabled, and Indigenous and multicultural Territorians.

As part of new legislative requirements, the Budget includes a new fiscal strategy and encompasses the November 2001 deficit reduction strategy.

The Government's medium-term fiscal objectives are:

- curbing the growth in net debt and unfunded liabilities, while continuing to provide adequate levels of service to the community;
- commitment to and continuation of a deficit reduction strategy; and
- a resultant decline in net debt and total liabilities.

The Government's fiscal strategy is based on three key principles: providing sustainable Government services; a competitive tax environment; and prudent management of liabilities.

I now want to outline some changes to the way we present Budget figures. These changes are in line with Professor Percy Allan's Report into the Territory's finances and the *Fiscal Integrity and Transparency Act*.

In the past, Treasury presented Budget accounts for the total public sector, including PowerWater. This was the long-standing practice in the Territory.

However, Professor Allan recommended that the Territory's Budget be on the general government sector as is the practice in all States and the Commonwealth.

The reason is that the general government sector is supported by tax revenues and is under greater Ministerial control compared with our four trading enterprises, PowerWater, the Darwin Port Corporation, the Darwin Bus Service, and Housing Business Services, which operate commercially and generate their own revenue.

On this basis, I can announce that one of the key targets included in our new fiscal strategy is for the general government sector to be in balance by 2004-05, a more ambitious target than the one announced in November 2001.

In another move to modernise our accounting procedures, this Budget also sees the introduction of accrual output-based financial management arrangements. Accrual financial information, which is used by all other Governments, ensures that the full costs, including the appropriate management of existing assets and recognition of future liabilities, are properly considered.

As part of these changes, the responsibility for repairs and maintenance in 2002-03 has transferred from the Department of Infrastructure, Planning and Environment to agencies, giving them greater control over their assets. This has resulted in a \$35 million reduction in the budget for the Department of Infrastructure, Planning and Environment and a commensurate increase in agency budgets.

The objective of these reforms is to provide substantially improved information to the Territory community, Parliament, Ministers and agency managers. Better information will contribute to improved decision making and increased accountability.

2001-02 ESTIMATED OUTCOME

I am pleased to announce that our estimate for last financial year's deficit was on target.

The estimated outcome for general government is a cash deficit of \$117 million compared with \$139 million at the time of the Mini Budget. The reason for the difference is the carry over of \$22 million in commitments into 2002-03. This is the usual level of transfers between years and a similar amount is expected to be carried out of this year into the next.

For the total public sector, which includes general government agencies and the Territory's trading enterprises, the estimated outcome is a deficit of \$112 million compared with \$126 million at the Mini Budget.

While there is a similar level of carry over of expenditure into 2002-03, PowerWater, the Territory's largest trading enterprise, made a large one-off payment in 2002 in relation to the settlement of a longstanding dispute regarding gas transportation arrangements. This settlement was not anticipated in the Mini Budget.

2002-03 OUTLOOK

Turning to 2002-03, the estimated outcome for the general government sector is a cash deficit of \$95 million which, after taking account of the \$22 million carry over, is only \$1 million more than the forward estimates prepared in November 2001.

The estimated outcome for the total public sector is a deficit of \$87 million. This is \$44 million more than estimated at the time of the Mini Budget due to the general government carry over and additional expenses of PowerWater associated with improved payment arrangements and increased maintenance expenses in 2002-03, as announced by PowerWater last week.

While there is little difference in the underlying general government bottom line, the 2002-03 Budget contains variations to the forward estimates published in November 2001.

The Territory received \$83 million more in grants from the Commonwealth, \$76 million of which is due to the increased relativities recommended by the Commonwealth Grants Commission in recognition of the Territory's greater service delivery needs and costs.

These additional funds will be used to improve health and education services and infrastructure. The Territory's Capital Works Program is boosted by \$43 million. An extra \$30 million is provided for new recurrent programs and for cost increases of \$15 million.

As I have said this Budget is about delivering today and investing for tomorrow. It provides the basis to implement the policies on which we were elected.

EDUCATION AND TRAINING

One of my Government's highest priorities is education and training. We need to prepare Territorians for the future by providing high quality, accessible education for all. Accordingly, my Government has increased the education and training budget by \$14 million, a 3 per cent increase, to \$505 million. This is in addition to the \$7 million ongoing provided in November.

One of my Government's major election commitments was to employ 100 extra teachers by 2004-05. This Budget provides for a further 20 teachers to be employed in 2002-03, in addition to the 20 extra teachers provided for in the Mini Budget.

These extra teachers are essential to raise the standard of public education, and lift retention rates particularly for Indigenous students in schools. Total additional funding of \$3.2 million is provided in 2002-03, rising to \$8.1 million ongoing from 2004-05.

We will also employ student attendance officers in a program costing \$170 000, increasing to \$680 000 by 2004-05. An additional \$500 000 will establish diversionary programs for wayward students.

More inclusion support workers to assist students with disability and impairments will be provided at a cost of \$460 000.

Education is about life-long learning and requires investment in training and higher education. A total of \$3.4 million is allocated to develop and implement the Government's Employment and Training Strategy, and \$1 million is allocated for the Training Remote Youth Program, aimed at 14 to 19 year olds.

Vocational education and training programs continue to be extended to Year 9, costing \$1 million. This will improve the relevance of school-based education, and aims to increase retention rates and school-to-work transition rates.

To encourage Territorians to take up teaching as a career, \$490 000 rising to \$1 million in 2004-05, is provided to the Student Teacher Bursary Scheme.

The importance of the Northern Territory University to the Territory community is acknowledged through increased funding of \$2 million this year to a total of \$5 million. Batchelor College and the University will receive grants totalling \$1.8 million for minor new works and repairs and maintenance.

To further promote diversity in the educational choices available to Territorians, an additional \$607 000 has been included in capital and recurrent assistance for the non-government school sector.

Grants for School Councils for school supplies will increase by 21 per cent. This is the first significant rise since 1993-94.

The long-awaited upgrading of Parap Primary School facilities will commence at a cost of \$2.2 million. A further \$2.1 million is approved to construct a new multi-purpose hall at Nhulunbuy High School, and \$1.3 million is provided to complete stage 2 of the upgrading of the airconditioning at Alice Springs High School.

QUALITY HEALTH SERVICES

Another of my Government's key commitments is the improvement of health services and health infrastructure for all Territorians. This Budget delivers an additional \$20 million for the health portfolio for a large range of initiatives as well as boosting ongoing programs.

This represents a 4 per cent increase bringing the total to \$527 million. This is in addition to the \$22 million ongoing provided in November.

This Government is committed to the recruitment and retention of nurses and other health professionals to better deliver on our health priorities.

Included in the 2002-03 Budget is an additional \$8 million, increasing to \$11.6 million by 2004-05, to employ 75 extra hospital nurses over four years, a process that commenced last year in the Mini Budget.

A further \$7.1 million has been provided to improve health outcomes, particularly for Indigenous Territorians to be allocated following the completion of the current Strategic Review of Health and Community Services.

An important election commitment was for a hospice in Darwin. This will be established on the Royal Darwin Hospital campus for inpatient palliative care, with a project cost of \$3 million.

The Hospital redevelopment will be completed this year with a further \$14.4 million to be spent. Another \$2.4 million has been approved for a new, more environmentally safe incinerator and a new low load boiler.

The Alice Springs Hospital will receive \$700 000 for an additional airconditioning chiller necessary to complete the significant redevelopment works.

A new mortuary is to be constructed at the Katherine Hospital, costing \$350 000.

SUPPORTING COMMUNITY SERVICES

Non government organisations provide many essential community services on behalf of the Government. In recognition of the importance of this sector and the cost pressures currently being experienced, \$6 million is provided to organisations to maintain their levels of services.

Territory families will benefit through a further \$610 000 which will be provided for the Northern Territory childcare subsidy, increasing the total funding of the subsidy to \$2.7 million. This raises the subsidy by \$7.50 per week for every childcare place.

Health care teams as promised are being established in regional centres at a cost of \$2.2 million per year, targeted specifically at improving children's health in remote areas.

Additional funding of \$260 000 in 2002-03, increasing to \$540 000 by 2004-05, will be provided to St John Ambulance to increase services in Darwin, Palmerston and rural areas.

The Katherine region will benefit with the development of a transitional care unit for the aged at the Rocky Ridge Nursing Home, which will provide short term care for people

prior to returning to their communities. The total cost is \$630 000 per year, which includes Commonwealth funding, and re-allocated Territory funding.

A renal dialysis facility will be constructed at Tennant Creek at a cost of \$505 000, with an annual recurrent budget of \$410 000. This will enable Barkly renal patients to be treated in Tennant Creek rather than having to relocate with their families to Alice Springs to receive ongoing treatment.

COMMUNITY SAFETY

Another key priority for my Government has been to expand the services necessary to ensure community safety. An important element is additional police resources. The Budget includes \$2.6 million for another intake to meet the Government's commitment of 50 additional police and 7 support staff over our first term in office. Funding this year will enable police resources to increase by 10 police officers and two support staff. By 2004-05, the total cost of this initiative will be \$6.5 million a year.

Police effectiveness in the Darwin CBD will be enhanced with the completion of the new police station in the Mitchell Centre. The facility will be customised with security surveillance and other specialised requirements at a cost of \$2.1 million, enabling the station to be self-sufficient during disasters.

The mounted patrol provides an effective form of policing and a new facility is approved for construction at the Peter McAulay Centre at a cost of \$350 000.

Police effectiveness in crime reduction will be further enhanced by new telecommunications interception equipment at a cost of \$820 000 and improved radio communications systems at \$730 000.

Neighbourhood Watch will be substantially boosted with an extra \$110 000 in funding for community-based initiatives.

As part of the Government's commitment to increase the Fire Service by 16 extra fire officers over four years at a total cost of \$1.4 million, 5 more officers will commence in 2002-03 at a cost of \$460 000. The Major Fire Appliance Replacement Program continues, with \$570 000 for two fire fighting vehicles.

This Budget demonstrates the Government's determination to tackle the drug/crime cycle. Expenditure of \$500 000 in 2002-03 has been approved as our initial response to the recommendations of the Illicit Drugs Taskforce. A three year strategic plan is being finalised.

A Drug Court will be established at a cost of \$150 000 this year, with ongoing funding of \$300 000 from 2003-04, and community justice and mediation centres will be trialed over two years commencing in 2003 at a total cost of \$300 000.

Increased support to women and families is provided through an additional \$200 000 for the Aboriginal Family Violence Strategy to strengthen coordination and planning, and improve service delivery. This boosts funding for the strategy to a total of \$500 000 a year, and is a key part of the Government's \$1.2 million Domestic Violence Strategy.

Additional child protection and family support workers will be employed at a cost of \$500 000 a year, including four Indigenous community workers.

For too long, anti-social behaviour has been a problem in the community affecting our way of life and our business enterprises. This is a complex problem requiring a sustained Government and community effort, and our first step will be to work in partnership with Indigenous Territorians. The new Darwin-based Itinerants Strategy, funded at \$500 000, will work to resolve itinerant anti-social behaviour issues.

A youth night patrol and safety house will be established in Darwin at a cost of \$320 000 per annum, and youth activity programs will be trialed in Nightcliff and Borroloola, costing \$310 000 per year.

To complement the current liquor restrictions in Alice Springs, \$400 000 is provided for a day patrol, youth initiatives and extended hours at the sobering-up shelter.

BUSINESS, JOBS AND ECONOMIC DEVELOPMENT

Turning now to business, jobs and economic development, one of our first major actions was to hold the Economic Summit and from that the Economic Development Strategy was prepared. That document contains a substantial number of initiatives already under way.

I have announced the Government's package on effective ways of dealing with the public liability insurance crisis, including a package of bills to be introduced in this and the next two sittings of the Legislative Assembly.

A major review of procurement practices has commenced and it is expected that this will lead to substantial changes in the way the Government undertakes its procurement processes.

Funding of \$250 000 has been provided to establish a network of business case managers to assist in reducing the 'red tape' burden on businesses needing various Government approvals.

Short course Business Skills Workshops at an initial cost of \$390 000, with \$260 000 ongoing, will be established to encourage the capacity of business men and women to effectively manage their operations in an increasingly competitive environment.

The tourism industry is a major employer and is vital to the Territory economy. An additional \$1 million over two years will be directed to increasing the Territory's international tourism marketing effort, in recognition of the ground we need to recover in this important sector of the industry. This will bring the total marketing budget to more than \$20 million per year and will include campaigns in Japan, the UK, Europe, America, New Zealand and the backpacker market.

Further promotion of the Territory's tourism opportunities will be undertaken when the premier international business tourism trade show, Dreamtime, is hosted in Alice Springs in September. Dreamtime will be held at the new Alice Springs Convention Centre, which I opened in March this year.

Improving access to air services to, from and within the Territory will be progressed with the appointment of an aviation specialist at a cost of \$130 000. This is a project undertaken in conjunction with NT Airports.

Tourism infrastructure at Nitmiluk National Park will be improved with \$350 000 to construct stairways, walkways and tour launch landings at the 2nd and 3rd gorge crossovers, and \$400 000 will further extend the parking area in Watarrka National Park.

The mining industry continues to be a major contributor to our economy and this Budget includes \$4 million for the fourth year of the Geological Survey.

Primary industry is a key industry sector and \$460 000 is provided for animal disease surveillance across the Territory, to enhance and protect our domestic and international trade in livestock. This is part of the national approach agreed by the Council of Australian Governments for exotic animal disease preparedness, particularly for Foot and Mouth, and Mad Cow disease.

The Post Entry Quarantine Facility will be upgraded at a cost of \$150 000 to meet Australian Quarantine and Inspection Service standards, to protect the ornamentals, nursery and exotic fruit industries, and the environment.

Development work at the Darwin Aquaculture Centre continues to increase production of barramundi fry and trials to commercialise mud crab aquaculture. Operation of the Centre will be enhanced with a \$429 000 waste water treatment system. The Pivot Aquaculture venture in the Tiwi Islands will receive \$520 000 in financial assistance.

The needs of emerging gas industries are recognised through funding of \$500 000 to establish the Energy (Northern Territory) Research Institute to investigate and fund research priorities, and develop training programs and opportunities relevant to the oil and gas industries.

SERVICES IN REMOTE AREAS

This Government was elected to govern for all Territorians and this Budget acknowledges the needs of remote Territory communities. Increased resources are being devoted towards building the capacity of our communities. Effective partnerships are being established and will be the basis on which resource allocation is determined.

Capital works totalling \$3.3 million are approved for remote school infrastructure. This includes \$1 million each for facilities at Maningrida and Papunya, \$400 000 for the Milyakburra School, \$340 000 to extend Minyerri School, and \$410 000 to upgrade Homelands Centres.

A new \$1 million police station is to be built at Kintore. This will enable a permanent police presence in the region. A further \$540 000 will go to upgrading police holding cells at Avon Downs, Daly River and Galiwinku, as part of the ongoing program which responds to recommendations of the Royal Commission into Aboriginal Deaths in Custody.

The Yuendumu health centre is to be upgraded at a cost of \$820 000 and a new \$1.5 million health centre will be constructed at Milikapiti.

Additional funding of \$160 000 is allocated to increase to 39 the number of sport and recreation officers in remote communities, at a total cost of nearly \$1.5 million.

Provision of essential health, education, police and other Government services in remote communities depends on being able to attract and retain staff. Adequate housing is a major issue, and the Capital Works Program includes a further \$11 million for Government employee housing, specifically 20 new houses for teachers, replacement of houses beyond repair, and upgrading of other existing housing.

In recognition of the large unmet community housing needs in remote communities, an additional \$6.3 million in Territory and Commonwealth funds is included in the Budget for housing in remote areas. This brings the total contribution from the Territory Budget to the Indigenous Housing Authority of the Northern Territory (IHANT) to \$31 million, and the total expenditure by IHANT in remote areas to \$57 million.

New capital improvements and expansion of essential power, water and sewerage services in remote communities total \$8.2 million, and include major works at Docker River, Papunya, Hermannsburg, Numbulwar, Maningrida, Wadeye, Peppimenarti, and Canteen Creek.

Transport infrastructure will be improved through the allocation of \$4 million in the Capital Works Program to upgrade and seal airstrips in the remote communities of Kintore, Lajamanu, Gapuwiyak, Pirlangimpi and Kalkaringi. A further \$500 000 is allocated to upgrade the road between Ngukurr and Numbulwar, and a further \$500 000 is allocated for the road between Lajamanu and Tennant Creek.

URBAN HOUSING

Adequate housing is essential for strong communities. This Budget delivers on a range of housing initiatives. The changes that I announced to stamp duty arrangements for home owners in the Territory will make it easier for Territorians to own their own homes and will contribute to population stability.

Demand for the HomeStart Scheme exceeded expectations last financial year, and an extra \$3 million has been allocated in 2002-03 in anticipation of a continued higher level of demand for assistance through the scheme. The scheme now provides a total of \$28 million in assistance for low to moderate income earners buying their own homes. This is the highest ever level of HomeStart assistance.

As part of the Government's commitment to being a good landlord, \$3 million is approved for the provision of security screens in public housing dwellings and a further \$1 million for other upgrading work. Expanded public housing in Darwin and Palmerston totalling \$2 million, as well as \$500 000 for crisis and medium-term accommodation is included in the Budget.

\$3 million is set aside for redevelopment of the Kurringal flats complex, including demolition of three current accommodation blocks. Existing tenants will be relocated to more appropriate housing.

Funding of \$1.2 million and land at no cost will be provided to HPA Incorporated to construct nine home units at Palmerston for people with disabilities, and two houses will be provided to Carpentaria Disability Services for use as supported accommodation. Also, six units in Tennant Creek will be modified for renal patients and allocated to Anyinginyi Congress under the Industry Housing Assistance scheme.

INFRASTRUCTURE

Stage 2 of the East Arm Port is proceeding at a cost of \$58.3 million, including the bulk liquids terminal, commencement of railway access and reclamation embankments, an intermodal container terminal and relocation of the crane. A further \$550 000 is approved to construct the Port Operations Centre building.

An additional \$6.6 million for construction of railway-related infrastructure, such as fencing and crossings, has been allocated.

In preparation for the arrival of gas onshore from Bayu-Undan, \$11 million is included in the Capital Works Program for power and water supply infrastructure for Wickham Point.

As part of floodplain management measures, \$880 000 is approved to construct the Lovegrove Retardation Basin in Alice Springs. Also, the Finke River Bridge will be constructed at a cost of \$5.5 million as part of the flood immunity program.

Transport infrastructure across the Territory will be improved with a range of major capital works.

Almost \$13.5 million is included in the Capital Works Program for national highways including widening sections of road, upgrading bridges, and improving black spot areas, safety and amenities along highways.

Selected sections of the Tanami Road will be widened and sealed, with stage 1 costing \$1.5 million. The seal will be completed on the Central Arnhem Road to Beswick and crossings will be improved at a cost of \$1 million. Various crossings on the Roper Highway will also be upgraded for \$500 000. Gravelling and drainage improvements will be undertaken on the road between Umbakumba and Angurugu on Groote Eylandt for \$500 000.

A total of \$1.5 million is allocated to upgrading various beef roads including Ooloo and Fleming Roads in the Katherine/Daly basin area, the Barkly Stock Route between Elliott and Anthony's Lagoon, and Calvert Road in the Tennant Creek region.

The sealed road to Belyuen will be extended a further seven kilometres for \$1 million, and a further \$1 million will upgrade the Fog Bay Road.

In 2002-03, the Government will provide a \$1.5 million capital grant to PowerWater to commence the 20 year program of undergrounding powerlines in Darwin. This is in addition to PowerWater's own contribution of \$500 000. Ongoing full year funding from 2003-04 will be \$3 million and \$1 million respectively.

LIFESTYLE

The Territory lifestyle is precious to us all and this Budget provides a number of new initiatives to promote and enhance our unique way of life.

A Plan of Management will be developed to monitor and protect Darwin Harbour, and an integrated Coastal and Marine Management Policy for the Territory will be developed at a cost of \$200 000. This includes establishing a community-based Darwin Harbour Advisory Committee to develop the Plan and oversee its implementation.

Access to recreational fishing infrastructure will be improved with \$500 000 to upgrade the Dinah Beach and Buffalo Creek boat ramps.

A further \$1.5 million has been included in the Capital Works Program for urban enhancement and heritage works. An additional undercover area will be provided at the Palmerston Bus Interchange at a cost of \$300 000.

Leanyer Recreation Park is to be upgraded to increase safety measures at the lake and provide additional recreation facilities at a cost of \$800 000.

Technical theatre equipment at the Araluen Centre in Alice Springs will be upgraded for \$250 000, and \$380 000 will replace the security system at the Bullocky Point Museum and Art Gallery of the Northern Territory.

The Territory's thriving arts community will receive a boost through additional support for Territory-based events and festivals featuring local artists, with an extra \$300 000 in the Budget. This is on top of the annual \$2.9 million Arts Sponsorship Program, which itself

has increased by \$250 000 and includes funding to stage a contemporary music event every two years.

To promote cultural facilities in regional centres, a capital grant of \$1.5 million will complete the Nyinkka Nyunya Indigenous Cultural Centre in Tennant Creek. The Government will support *2002 The Year of the Outback* with \$630 000 for various activities, including the feature event, Outback Expo.

In recognition of the Territory's rich and culturally diverse society, a total of \$790 000 will be provided through the Ethnic Affairs Sponsorship Program, which is a significant increase on previous years.

Following a comprehensive review, revised arrangements have been put in place for the Community Benefit Fund. The Fund will incorporate the Lotteries Fund and will provide \$600 000 of much needed community grants to organisations across the Territory. This is in addition to expanded gambling amelioration and education programs. The Minister for Racing, Gaming and Licensing will announce further details.

In recognition of the importance of sport to Territorians, significant works are already under way at the Marrara Sporting Complex – \$800 000 will resurface the athletics track

at Arafura Stadium, including the javelin and long -jump run-up areas, and \$1.3 million will continue the upgrading of Football Park to host international cricket matches.

The Alice Springs Masters Games will be staged in October at a total cost of \$810 000 and \$2 million will be spent on hosting the Arafura Games in May next year.

IMPROVED POLICY DEVELOPMENT AND COORDINATION

The Department of the Chief Minister will take on a far more proactive role in the area of social policy development, economic development strategies and whole of government coordination.

The Community Engagement Division has been established to bring necessary whole of government policy direction and leadership to social policy arenas that are important to my Government and to the community. The Division includes the Offices of Women's Policy, Indigenous Policy, Senior Territorians, Ethnic Affairs and Youth Affairs.

The Office of Territory Development runs in parallel, providing a strategic focus on Territory development, including major projects such as oil and gas and the railway, and attracting business to the Territory from interstate and overseas across a range of industries.

The Department has received an additional \$2 million to undertake these broader functions.

CONCLUSION

While we have achieved much in this our first Budget, there is much more to be done during this term in Government.

As I outlined in my recent Economic Development Strategy, the Government's vision for the Territory requires long -term planning on a broad scale.

We are aiming for nothing less than to become:

- an equitable society with opportunities available to all Territorians;
- a thriving business and investment hub in northern Australia; and
- a skilled and innovative people with confidence in the future.

If we work in partnership, it is a vision and a blueprint for action I know we can achieve.

This Budget is a further down payment on the positive plan we were elected to deliver a year ago. It invests for the future within the firm bounds of responsible economic and fiscal management.

The increase in capital works spending will further promote economic development and provide a much-needed stimulus to our construction industry. Reducing taxes will also promote greater business activity, particularly in the residential housing market.

This Budget provides expanded services in the areas of greatest need. There have been substantial increases in health, education, community safety and services to remote communities.

These additional resources should result in real improvements in these very important areas and help fulfil our promise to govern in the interests of all Territorians.

I am proud to present this blueprint for the Territory's future development. It is a Budget that delivers for today and invests for tomorrow.

PART 11

APPROPRIATION BILL

Serial 89
Appropriation Bill 2002-2003
Ms Martin

**A BILL
for
AN ACT**

to authorise the issuing and expending of public moneys of the Territory in
respect of the year ending 30 June 2003



NORTHERN TERRITORY OF AUSTRALIA

No. of 2002

AN ACT

to authorise the issuing and expending of public moneys of the Territory in respect of the year ending 30 June 2003

[Assented to 2002]
[Second reading 2002]

The Legislative Assembly of the Northern Territory enacts as follows:

1. Short title

This Act may be cited as the *Appropriation Act 2002-2003*.

2. Authorisation and allocation of \$2 095 069 000

(1) Allocations of the public moneys of the Territory, amounting in aggregate to \$2 095 069 000, are authorised to be paid from the Central Holding Authority to the Purposes specified in the Schedule in respect of the year ending on 30 June 2003.

(2) The aggregate amount made available for expenditure pursuant to the *Supply Act 2002-2003* is included in (and is not in addition to) the aggregate amount authorised to be paid from the Central Holding Authority under subsection (1).

(3) Amounts that have been expended on Activities pursuant to the *Supply Act 2002-2003* are taken to have been expended on Purposes pursuant to subsection (1).

Appropriation 2002-03

SCHEDULE

Purpose	Allocation
	\$000
Auditor-General's Office	
Output Appropriation	2 156
Capital Appropriation	
Ombudsman's Office	
Output Appropriation	1 733
Capital Appropriation	
Department of the Chief Minister	
Output Appropriation	31 944
Capital Appropriation	24 742
Department of the Legislative Assembly	
Output Appropriation	14 363
Capital Appropriation	43
Northern Territory Treasury	
Output Appropriation	97 313
Capital Appropriation	
Department of Employment, Education and Training	
Output Appropriation	374 286
Capital Appropriation	11
Office of the Commissioner For Public Employment	
Output Appropriation	4 373
Capital Appropriation	
Northern Territory Police, Fire and Emergency Services	
Output Appropriation	124 926
Capital Appropriation	6 947
Department of Justice	
Output Appropriation	91 370
Capital Appropriation	411
Department of Corporate and Information Services	
Output Appropriation	83 547
Capital Appropriation	
Department of Business, Industry and Resource Development	
Output Appropriation	67 886
Capital Appropriation	438
Northern Territory Tourist Commission	
Output Appropriation	27 212
Capital Appropriation	1 015

Appropriation 2002-03

SCHEDULE

Purpose	Allocation
	\$000
Department of Community Development, Sport and Cultural Affairs	
Output Appropriation	138 488
Capital Appropriation	230
Aboriginal Areas Protection Authority	
Output Appropriation	2 266
Capital Appropriation	38
Department of Health and Community Services	
Output Appropriation	377 644
Capital Appropriation	8 393
Department of Infrastructure, Planning and Environment	
Output Appropriation	149 699
Capital Appropriation	172 522
Trade Development Zone Authority	
Output Appropriation	1 096
Capital Appropriation	
Central Holding Authority	
Treasurer's Advance	29 000
Interest, Taxes and Administration	154 845
Employee Entitlements	106 132
TOTAL APPROPRIATION	2 095 069
Output Appropriation	1 590 302
Capital Appropriation	214 790
Treasurer's Advance	29 000
Interest, Taxes and Administration	154 845
Employee Entitlements	106 132