



NORTHERN TERRITORY

BUDGET 2023-24

Budget Paper No. 1

SPEECH AND APPROPRIATION BILL

Speech
and
Appropriation Bill

2023-24

Part 1
Speech

Delivered on

9 May 2023

by

The Hon. Eva Lawler MLA

Treasurer

of the

Northern Territory of Australia

Introduction

Mr Speaker, I move that the bills now be read a second time. I table the 2023-24 Appropriation Bill and related papers and an explanatory statement for the Stamp Duty Amendment Bill 2023.

Mr Speaker, today we hand down Budget 2023. A budget that will invest in the future of Territorians. It is a Budget that will deliver for all Territorians.

Territorians have always been strong, innovative people, made up of diverse cultures, with many different ways of seeing and doing things.

Yet we stand together as the Northern Territory enters into unprecedented opportunities that will bring long-term value to our lives.

This is a budget that will benefit all Territorians across the length and breadth of the Territory – from our capital city, our regional towns, to our remote communities.

This budget is a fair budget, it is a rock-solid budget that looks after all Territorians. It is a budget that cares about Territorians wherever you live. This is a Budget that makes sure everyone can take part in the journey.

Budget 2023 is made for a Territory on an upwards growth trajectory – a trajectory that draws its strength from multiple industries in multiple regional and remote places across Northern Territory.

Budget 2023 supports the development of our own-source revenue to invest in our future and deliver for all Territorians.

We must no longer rely on one or two big projects. We can no longer be caught between boom-and-bust cycles.

We are a growing economy because we are diversifying our economy.

And diversification means opportunity.

We are seeing investors bringing a broad range of new projects to the Territory, from the exploration and mining of our abundant rare earths and critical minerals; to data centres linking us by subsea cable to the world's biggest growing economies; to new energy projects as we set course for 50 per cent renewables by 2030.

Mr Speaker, 2030 is not far away. And it is a double deadline for us, because we have set ourselves the second target of arriving at a \$40 billion economy by 2030.

That is why Budget 2023 is investing in our future.

That is why Budget 2023 delivers for all Territorians.

Budget 2023 is not only concerned about the coming financial year. It invests in how we will live and work long into the future, and it makes sure that every Territorian has a place in that future.

It is a budget that ensures our children and young people will be well-equipped to take their place in the Territory of the future.

Economic outlook

Mr Speaker, the Territory economy has performed strongly over the past three years.

Despite the disruptions caused by the COVID-19 pandemic, state final demand – the best measure of onshore economic activity – has grown by 17.7% since December 2019, significantly more than any other jurisdiction.

Employment is currently at a record high, eclipsing the levels seen during the peak of the INPEX construction phase.

Business confidence is also high – in 2022 the Territory business confidence index averaged its highest level on record with a net positive of 70.5%, up from 67.2% in 2021 and 51% in 2019. Furthermore, in the 2022 financial year more new businesses entered the Territory economy than ever before.

However as the pandemic disruptions have ebbed, a number of new economic challenges have emerged. Labour shortages are acute in the Territory and have constrained many local businesses from operating at full capacity. The number of job vacancies in the Territory remains more than double pre-pandemic levels.

As with the rest of Australia, the cost of living in the Territory has been rising since the start of 2022 driven by disruptions to supply chains both globally and locally, the Russia-Ukraine conflict, and strong demand for goods and services.

Gross state product is estimated to decrease by 5.1% in 2022-23, primarily as a result of lower export volumes. Maintenance at the Ichthys liquefied natural gas (LNG) plant reduced LNG export volumes in the second half of 2022. Conversely, state final demand is expected to increase by 2.5%, a result of growth in both public and private consumption and investment.

Over the five years to 2026-27, annual gross state product and state final demand growth are expected to average 0.9% and 1% respectively. The growth outlook is heavily influenced by the timing of activity with the Barossa project.

Our economic forecasts do not factor in the significant portfolio of private sector projects that have not yet reached final investment decision.

They do not include the \$2 billion in infrastructure announced by the Commonwealth Government in the October budget. They do not include the onshore oil and gas industry with the final Hydraulic Fracturing Inquiry report giving the green light to production, or the substantial Defence investment announced in the Defence Strategic Review.

These projects and investment opportunities represent a substantial upside for the Territory economic development and will contribute to stronger economic growth and employment outcomes – and further support the Territory Government's target of a \$40 billion economy by 2030.

Budget position

Mr Speaker, our strong economy is reflected in our strong budget position.

Budget 2023 projects a fiscal balance surplus within the forward estimates period – that is, in 2026-27 – for the first time since the 2016 Budget was brought down.

This will also meet government's key objective of returning the budget to balance, two years ahead of the Fiscal Strategy Panel's 2028-29 target.

Budget 2023 also anticipates there will be net operating surpluses from 2024-25 onwards.

Upward revisions to GST revenue, totalling \$923 million over the budget cycle to 2025-26 compared to the 2022 Budget, have contributed to the return to surplus.

We have updated our expectations that collections in the national GST pool will grow as consumption patterns return to normal after the pandemic and other recent shocks to Australia's supply chains.

Also, one of the factors that determines our share of the GST pool – the Territory's relativity – has increased for Budget 2023 and this lifts our expected revenue going forward.

Budget 2023 projections include:

- a general government net operating balance deficit of \$200 million in 2023-24, and forecast surpluses in every year in the forward estimates
- an estimated non-financial sector fiscal balance deficit of \$1.13 billion in 2023-24, then forecast to halve each subsequent year before returning to a surplus of \$67 million in 2026-27
- an estimated net debt in the non-financial public sector of \$9.23 billion in 2023-24, expected to peak at \$9.98 billion in 2025-26 and then forecast to decline each year thereafter.

Budget 2023 reflects the strict fiscal discipline measures put in place by our government, a stronger economic recovery following COVID and importantly, an improvement in our GST revenue and a higher GST relativity for the Territory.

Growing the Territory

Mr Speaker, the Territory's population is forecast to grow by 0.9% in 2023-24 and 1% for the foreseeable future, with natural growth and overseas migration the main contributors.

Budget 2023 means investing in the safety and wellbeing of Territorians.

It means investing in our roads to secure all-weather access in support of industry and safer daily life.

It means investing in remote and urban housing.

It means ensuring that we keep letting everyone know we are Australia's best investment destination.

Mr Speaker, Budget 2023 includes new policy commitments for core government services. It reduces cost of living pressures for Territorians while making historic investments in justice reform and the prevention of domestic, family and sexual violence, while undertaking substantial capital works.

Infrastructure investment

The 2023-24 infrastructure program at \$4.07 billion represents a record level of planned government investment in the Territory, with a focus on improving core government service delivery and realising the Territory's economic potential.

In 2023-24, total infrastructure payments are forecast to be \$2.11 billion, an increase of around \$318 million compared to 2022-23, mainly due to significant allocations to land development, the ship lift facility, Northern Territory Art Gallery and State Square masterplan, road projects and remote housing programs.

Budget 2023 provides \$842.6 million to construct new and refurbish existing housing in remote and urban areas, and progress residential land release across the Territory.

\$19.7 million is allocated for flexible accommodation infrastructure in Tennant Creek and Darwin and \$14 million is provided to redevelop the Shiers Street housing complex in the Narrows.

Budget 2023 continues a record transport infrastructure investment of \$2.24 billion, upgrading key road corridors under the National Partnership Agreement with the Commonwealth Government.

Progressively sealing the outstanding 40 plus kilometres of the Santa Teresa road is a priority for both governments.

Construction of the \$165 million Tiger Brennan Drive overpass is well underway, with \$108 million in the 2023-24 budget.

Upgrading and sealing of the Tanami Road continues to advance with a further \$178 million commitment to advance sealing the corridor to the WA border. We are proud to be the government that will deliver on the complete sealing of the Tanami Road.

Work commenced last year on delivering road upgrades to support gas and other industries in the Beetaloo Sub-basin. The 2023 Budget provides a total of \$215 million to continue upgrading gas industry roads to support economic development, and a further \$90 million for upgrades to the Carpentaria Highway.

\$60 million of the \$75 million program is allocated to upgrade Port Keats Road, improving access between Wadeye and surrounding communities.

Funding continues to be spent on the Buntine Highway, providing support for our pastoral, tourism and local community access, with \$114 million allocated in 2023-24.

\$20 million has been committed to upgrade the Phelp River crossing, including new waterway structures along Numbulwar Road.

From the Tiwi Islands, to Port Keats, the Outback Way, Arnhem Highway and Buntine Highway, there is significant focus on ensuring we have some of the best transport links in the country.

Supporting Territorians

In a time when Territorians are doing it tough with inflation and interest rates, this Budget does not add to the pain.

We are mindful of the International Monetary Fund's warnings of a global economic slowdown, and its cautionary statements that some Australian mortgage holders are carrying very high exposure.

Our government understands the financial stress that families are experiencing. We understand the pressures Territorians are feeling with increases to their mortgage payments.

That is why every single Territorian will benefit from the Territory Government's decision to support households and small businesses to meet the costs of essential services by making sure increases in our utility bills stay well below inflation.

The Territory increased utility tariffs by only 2.7% in 2022-23, and we will increase utility tariffs by the same in 2023-24 – in both cases, far below the level of inflation and the increased costs of supplying power.

Over the 2022-23 to 2023-24 period, our below-CPI increases are expected to benefit household customers between \$184 and \$350 on electricity bills, and a typical small business about \$864.

Households will also benefit around \$168 on the average water and sewerage bill.

The Commonwealth Government has also committed to helping Australians with the cost of power and we will see an announcement tonight in the Federal budget that will benefit a large percentage of Territorians.

Forecasts for wages growth in the Territory have been revised upwards due to tight labour markets. Meanwhile, inflation – specifically in Darwin – is expected to subside more quickly than in other places in the nation.

Those are both positives, but many family budgets will still be strained.

That is why it is important that we are keeping utilities prices tightly controlled. We are able to do that because unlike so many other places, our government owns our essential services. We have not sold them off.

Health

Mr Speaker, the good health and wellbeing of every Territorian is at the heart of everything this government strives for.

The \$2 billion health spend in Budget 2023 includes fundamental but critical upgrades to the Alice, Katherine, Gove and Darwin hospitals, with \$37.3 million to improve efficiencies in sterilisation equipment to ensure compliance with enhanced national standards, and to protect lives.

We are funding \$3 million per year over three years from 2023-24 to replace ageing medical equipment including CT, diagnostic ultrasound, MRI and X-ray equipment, theatre lights and acute patient monitors.

This is the necessary work of responsible government, as is the provision of \$20 million to construct a new – and much needed – health centre at Gunbalanya, which includes consulting rooms, emergency bays, dental, X-ray and renal facilities, and a morgue.

We are investing \$48.7 million for upgrades at Royal Darwin Hospital, including the construction of a new 32-bed modular multipurpose ward which will allow for the rapid deployment of additional beds during surges, while increasing overall capacity. Upgrades to forensic, mortuary, pathology and bereavement facilities also form part of important upgrades to RDH.

Mr Speaker, our government stands firmly committed in our efforts to reduce the levels of domestic, family and sexual violence (DFSV).

Budget 2023 delivers \$20 million additional funding across the next two financial years with a focus on housing initiatives, perpetrator programs, responding to the needs of children and young people who experience DFSV, providing counselling and healing for women prisoners, specialist DFSV prosecution and witness support.

We will deliver an additional \$5 million per year in the coming two years for crisis intervention, counselling and parenting programs. This includes providing Cultural Engagement Camps for Central Australia and for additional Youth Outreach and Re-engagement Officers.

We know we must tackle this challenge from every possible angle. And that means supporting those who inflict violence to change their behaviours, to reduce the impacts on women and children.

In all the work this government is doing, there are few greater imperatives than breaking the cycle of reoffending.

We are investing \$65 million from 2022-23 to 2025-26 to progress Aboriginal Justice Agreement initiatives including community courts, community-based sentencing and reducing prisoner remand numbers, as well as supporting courts and justice demand pressures.

We want to rehabilitate offenders and get them into jobs, training and education – not back in prison.

We know that locally-driven solutions are the best solutions and that is what Law and Justice Groups are all about – empowering Aboriginal people to address justice issues locally.

We do not have to look far to see that these approaches work.

NT Police data shows that youth crime on Groote Eylandt has fallen by 95% over three years as new justice programs, led by the community, have been implemented.

We will continue to invest in programs that address alcohol and drug addiction, mental health, foetal alcohol spectrum disorders, domestic and family violence, education and training — programs that will make a real difference.

We will continue to invest for generational change with improvements in housing, health, education, infrastructure, training and employment.

It is such important work. That is why this government is investing in our future.

Education

There is no better place to start investing than in our schools.

We are providing \$9.7 million to construct a new science, technology, engineering, arts and mathematics centre at Katherine High School — the fifth STEAM centre we have delivered since 2016.

It will become a hub for Big Rivers, which is fitting given the role that the region will play in so many of our future industries — agriculture, renewable energy, water, onshore oil and gas, defence and mining.

Our Labor Government continues to invest record amounts in education, with \$1.37 billion in the 2023-24 budget.

Budget 2023 will see \$9.6 million for the new Parap preschool facility, \$4.4 million for upgrades at Yuendumu School and \$2.8 million to upgrade homeland learning centres.

I have spoken at length in this House about the critical work of this government's Education Engagement Strategy — and this budget invests \$6.3 million in making sure students, young children and families feel they are part of our education system.

That is how we are supporting young people who dream of being part of the projects and jobs of the future.

Resources

And we are also supporting those who are pointing us in the direction of projects that can get going right now.

That is why we are funding \$6 million over four years to advance the Mineral Development Taskforce's recommendations to make the Territory a sure-fire destination for mining investment.

We are sending the message to the world that we are the destination for low-emission technology, from solar and hydrogen to critical minerals and rare earths.

The final report of the Mineral Development Taskforce urges us to do more than dig up and export our minerals.

To sum up it up in a sentence: we must establish more mines more quickly, and we must value-add with downstream projects.

The Commonwealth Government has already committed \$1.5 billion to support the Middle Arm Sustainable Development Precinct.

This means we are building the right infrastructure, at the right time – Middle Arm will enable industries of the future and help us decarbonise. We are continuing investment in the Middle Arm Sustainable Development Precinct with \$13 million to support continued design and environmental approvals.

That is where we will start making things. That is where the value-add happens.

Our highly prospective onshore gas resources will support our energy security during the transition to renewables – and will improve living standards for all Territorians.

The 2018 Scientific Inquiry into Hydraulic Fracturing, chaired by Justice Rachel Pepper, concluded that risks could be managed if all the Inquiry's 135 recommendations were implemented. We have done that work. Our government has released the Final Implementation Report into the Scientific Inquiry into Hydraulic Fracturing.

The growing onshore gas industry will bring jobs and economic opportunities to our remote regions. It will also mean further investment in frontline services across the Territory from increased royalty payments.

To ensure scrutiny and oversight going forward, our government has allocated \$2 million in Budget 2023 and each year going forward for the Petroleum Operations unit. It will ensure continued rigorous monitoring of environment management plans, deliver a strong compliance program, and provide education and guidance to industry.

Renewables

The Territory Government will establish a renewable energy hub as part of our government's Darwin-Katherine Electricity System Plan. Budget 2023 allocates \$12 million to undertake planning and headworks to develop the hub. The hub will support the government's renewable energy target of 50% by 2030 by investing in large-scale renewable solar farms to deliver clean and affordable power to Territorians.

Safe drinking water in all our communities is a priority of our government, which is why we have allocated \$4.5 million each year for three years to deliver priority actions under the Territory Water Plan, including making an immediate start on improving drinking water for remote communities.

Here in the Top End, it can sometimes seem like we have too much of it, but water is always precious.

That is why we are funding almost \$4 million over three years to support the delivery of the Adelaide River Off-stream Water Storage project. AROWS will give us long-term water security, as well as being essential for industrial and agricultural growth across the Territory – and brings the total investment in this project so far to \$21 million. AROWS will complement the Manton Dam return to service project and together they will support 1,000 direct and indirect jobs during the peak of construction.

We are also encouraging businesses into the circular economy by allocating \$2.5 million to two grant programs:

- the Territory Recycling Grant, providing grants of up to \$20,000 towards the purchase of small-scale recycling equipment and
- the Transformational Circular Economy Infrastructure Grant, providing grants of up to \$500,000 for infrastructure projects with a focus on construction, demolition, food, garden and organic waste.

A safer Territory

Mr Speaker, people are entitled to feel safe wherever they live in the Territory. Budget 2023 invests \$1.1 billion in public order and safety and a record \$721 million in social protection to deliver a range of initiatives to build safer, fairer and more resilient communities.

We are providing \$19 million for a contemporary police complex in Peppimenarti. It will include a police station, detention facilities, government housing and visiting officers' quarters in support of a permanent police presence at Peppi.

Budget 2023 commits \$11.5 million to completely replace the Tennant Creek watchhouse. This investment will deliver a new, larger watchhouse with contemporary facilities, alongside suitable amenities for families and legal staff.

This year's budget allocates \$4.6 million over two years and then \$4.7 million per year from 2025-26 to support a modern police air wing service with four aircraft.

We know how difficult the job of a police officer is. We have committed \$3 million ongoing from Budget 2023 to support the wellbeing of Northern Territory police officers and their families.

We are also funding \$7.7 million in 2023-24 to deliver a range of antisocial behaviour initiatives and additional transit safety officers and security.

That includes an integrated CCTV network and virtual patrols, support for Lhere Artepe day and night patrols in Alice Springs, private security patrols, cultural authority promotion, the roll-out of OC spray to trained and authorised persons, and to enable responsiveness to emerging issues.

Tourism

We are improving the visitor experience with a re-energised tourism strategy, allocating \$35.6 million over two years to supercharge tourism marketing and industry, and encourage Aboriginal people to enter the tourism workforce and to develop new businesses.

This is on the back of the Federal budget announcement of an extra \$200 million to be spent addressing critical infrastructure needs in Kakadu and Uluru-Kata Tjuta National Park.

Mr Speaker, there are some major Commonwealth commitments which will strengthen our economy for many years to come.

The Defence Strategic Review has triggered one of the greatest shifts in the Australian Defence Force's structure, posture and investment priorities since World War II, and it is self-evident the Northern Territory will play an even greater role in the nation's security as the Commonwealth Government strengthens our northern approaches.

This is the most significant review of Australia's Defence Forces in a generation. The Northern Territory is central to meeting the nation's evolving security challenges of the next decade and beyond. And that translates into more investment in the Territory.

It means more construction both in new infrastructure as well as improving existing infrastructure – training grounds, bases and airfields.

Work starts immediately with an allocation of \$3.8 billion for northern bases over the next four years.

And the Darwin ship lift and marine industry park will be central to supporting the Australian Defence Force and our allies in the north.

We are keeping our promise to back the Gamba Army. And we know bio-incursions have our pastoralists deeply worried, so we are increasing biosecurity protections for the Territory's environment and agribusinesses at \$2 million per annum ongoing.

Budget 2023 meets our vision of growing the Territory economy for the jobs of the future while supporting the wellbeing and quality of life for all of us who call the Territory home.

From Milikapiti in the north, to Aputula in the south, from Walungurru in the west, to Alpurralam in the east, and everywhere in between, we have delivered a Budget for all Territorians.

Before I finish, the Stamp Duty Amendment Bill 2023 will abolish stamp duty on the conveyance of non-land property, except for chattels conveyed with an interest in land, and also abolish stamp duty on chattels conveyed with a lease that has nil or nominal dutiable value. These changes will lower red tape for business, and create certainty for the resources industry.

I commend the Bills to the House.

Part 2

Appropriation Bill

Appropriation (2023-2024) Bill 2023

Ms Lawler

A BILL
FOR
AN ACT

to authorise an amount to be paid from the Central Holding Authority
for the financial year ending 30 June 2024

NORTHERN TERRITORY OF AUSTRALIA

APPROPRIATION (2023-2024) ACT 2023

Act No. [] of 2023

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NORTHERN TERRITORY OF AUSTRALIA

Act No. [] of 2023

An Act to authorise an amount to be paid from the Central Holding Authority
for the financial year ending 30 June 2024

[Assented to [] 2023]
[Introduced [] 2023]

The Legislative Assembly of the Northern Territory enacts as follows:

1 Short title

This Act may be cited as the *Appropriation (2023-2024) Act 2023*.

2 Commencement

This Act commences on the day on which the Administrator's assent to this Act is declared.

3 Appropriation

- (1) An amount in aggregate of \$7,729,689,000 is authorised to be paid from the Central Holding Authority for the financial year ending on 30 June 2024.
- (2) The amount is authorised to be paid to each Purpose of an Agency or other Purpose that is specified in column 1 of the Schedule, in the amount specified in the corresponding entry of column 2 of the Schedule.

4 Repeal of Act

This Act is repealed on 1 July 2024.

SCHEDULE
section 3(2)

Purpose	Amount
	\$000
Department of the Chief Minister and Cabinet	
Output	190 698
Commonwealth	5 618
Department of the Legislative Assembly	
Output	26 154
Capital	41
Auditor-General's Office	
Output	3 111
Northern Territory Electoral Commission	
Output	1 597
Office of the Independent Commissioner Against Corruption	
Output	5 033
Ombudsman's Office	
Output	2 784
Department of Health	
Output	1 119 429
Capital	5 925
Commonwealth	41 407
Department of Industry, Tourism and Trade	
Output	301 036
Capital	901
Commonwealth	25 762
Department of Environment, Parks and Water Security	
Output	104 197
Capital	1 303
Commonwealth	7 506
Department of Treasury and Finance	
Output	195 033
Department of Education	
Output	548 589
Commonwealth	496 762

SCHEDULE
section 3(2)

Purpose	Amount
	\$000
Department of Infrastructure, Planning and Logistics	
Output	426 348
Capital	796 966
Commonwealth	694 696
Department of Territory Families, Housing and Communities	
Output	722 528
Capital	9 659
Commonwealth	142 590
Northern Territory Police, Fire and Emergency Services	
Output	420 496
Capital	10 789
Commonwealth	27 823
Department of the Attorney-General and Justice	
Output	353 523
Capital	7 719
Commonwealth	31 499
Aboriginal Areas Protection Authority	
Output	4 262
Department of Corporate and Digital Development	
Output	322 499
Capital	29 427
Central Holding Authority	
Treasurer's Advance	30 000
Interest, Taxes and Administration	311 427
Employee Entitlements	304 552
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TOTAL APPROPRIATIONS	7 729 689
Output	4 747 317
Capital	862 730
Commonwealth	1 473 663
Treasurer's Advance	30 000
Interest, Taxes and Administration	311 427
Employee Entitlements	304 552

