
BUDGET SPEECH

1999-00

Budget Paper No. 1

BUDGET SPEECH

DELIVERED ON
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BY
THE HON. MICHAEL REED, MLA
TREASURER
OF THE
NORTHERN TERRITORY OF AUSTRALIA

BUDGET SPEECH

I move that the Bill be read a second time.

Mr Speaker, I table the 1999-2000 Treasury Northern Territory Budget Papers.

The Country Liberal Party Government, under Chief Minister Denis Burke, today brings down the Northern Territory's 22nd Budget and my 4th as Treasurer.

The overriding objective of the Government remains the long term economic and social well being of the Territory and its residents.

This has and will continue to be achieved by:

- **stimulating the Territory economy and hence providing jobs for Territorians;**
- **providing quality services and making all regions of the Territory a better place to live;**
- **while living within our means.**

All three are essential.

This Budget achieves these objectives.

The Territory is a small jurisdiction and the Territory Government maximises all opportunities to promote economic growth, whilst protecting the lifestyle of Territorians.

The evidence of this abounds. Walk around Darwin and you will see a city alive with development. In the suburbs and Palmerston it is the same - new shopping centres, major housing estates and other developments.

In other centres, tourism infrastructure, roadworks, national park development and high standard services are acclaimed and have become the envy of the States.

The basis for the Territory's next stage of development has been set by strong Country Liberal Party leadership and sound management.

The 1999-2000 Budget is further evidence of good management and fiscal restraint in an economic cycle that sees the Australian economy slowing.

It will ensure that services are maintained and the environment for development and investment is dynamic and responsive. Importantly it controls expenditure and positions the Territory to live with the time and within its means.

Controlling expenditure means determining priorities.

Mr Speaker, whilst the Capital Works Program is of great importance, the Adelaide to Darwin rail link is the priority.

At \$1.2 billion the project will be the largest civil engineering project undertaken in the Territory and the last great transport project to commence this millennium.

It will generate jobs for Territorians - 2000 in the construction phase and at least 200 in operation.

In last year's Budget, I announced the setting aside of \$100 million as the Northern Territory Government's contribution towards the financing and completion of the Adelaide to Darwin rail project. That funding remains available.

Three short-listed consortia have now lodged formal submissions to build, own and operate the railway. These three final submissions are being assessed. Today, Mr Speaker, the Government provides a further \$10 million in the Budget to cover the mammoth task of assessing consortia bids and continuing land acquisition, paving the way for an ultimate start to construction of the line later this year or early next year.

It is expected that the Australasia Railway Corporation will be in a position to make recommendations regarding the preferred consortium to the Territory and South Australian Governments in June 1999. Contractual arrangements are expected to be finalised by September and financial close expected by November 1999.

Charged with expectation, we eagerly await the outcome.

As I said, controlling expenditure is about determining priorities.

Initiatives in this Budget which will aid the economy and assist business include:

- **a simplified pay-roll tax system;**
- **a capital works program with projects across the Territory in health, tourism, education, roads, housing and reflecting the expectation of the railway proceeding;**
- **a major boost in tourism marketing, promotion and sales;**
- **a five year geological investigation program for the mining industry;**
- **a reduction in commercial electricity tariffs and an increase in the Power and Water Authority maintenance program.**

Making the Territory a better place to live requires the widest range of services of the best possible quality. It also requires balanced policies which set the standard for activities in areas such as the environment, child and aged care, domestic violence and sentencing options.

This Budget has a number of other initiatives that make the Territory a better place to live. These include:

- **a major expansion of health services in Darwin and Alice Springs and a new health precinct at Palmerston;**
- **giving more Territory first home buyers access to the Northern Territory Government's HomeStart scheme;**
- **funding for improved aged care facilities and expanded family and children's services;**
- **expanded law and order programs.**

Living within our means is the third requirement for the Territory to develop and prosper.

The fiscal strategy is an important guide for ensuring that the Territory meets this objective. The fiscal strategy provides a benchmark for the Government for considering the fiscal strength of the Territory whenever expenditure proposals are investigated. Budget Paper No. 3 includes a detailed analysis of

this Budget against the fiscal strategy targets. All of the targets have been met in the 1999-2000 Budget.

Similarly, the Government's commitment to reducing the level of debt is further proof that the Government is living within its means.

Two years ago I announced a three year plan to reduce gross debt below \$2 billion and that was achieved last year - a year ahead of schedule.

Gross debt will be further reduced by \$10 million in both this year and the next and a further \$20 million the following year.

I am delighted to announce that the Budget this year will deliver a reduction in net debt. The 1999-2000 Budget is \$1.5 million in surplus.

THE TERRITORY ECONOMY

Before moving on to the details of the Budget, it is appropriate that I summarise the key features of the Territory economy that the CLP Government has delivered to Territorians.

The Territory economy is currently growing at a rate of 5%. This performance is once again higher than the national rate.

Territorians continue to enjoy:

- **Australia's lowest rate of unemployment, 4.2% in 1998-99, against a national level of 7.3%;**
- **Australia's highest rate of employment growth, 5%; and**
- **the highest labour force participation in the country, 71%.**

While these labour market figures are impressive, the challenge for the Government is to maintain employment growth.

The Territory continues to contribute to Australia's export effort with higher exports expected in the current year due to increased oil and uranium exports and a partial recovery in live cattle exports. In per capita terms the Territory remains the nation's second highest exporter after Western Australia.

Mining continues to be the most important contributor to the Territory's gross state product. Mineral production in the Territory is expected to show a marginal decline this year, due largely to the combined effects of low

commodity prices and increased world production at a time of subdued world economic growth.

Energy production increased over the year. Oil production from the Laminaria/Corallina field in the Timor Sea is set to commence in October 1999. Uranium production will increase over the next few years as world demand and prices improve and the Jabiluka mine commences production. The gross value of production from this development over thirteen years is expected to exceed \$4.2 billion.

Turning to primary industries, in 1998 there was a decline in cattle production, as a consequence of the abrupt downturn in South East Asian markets. Horticulture production was also down due to a poor mango season and as a result of the exotic fruit fly out break in the Darwin area. Fishing production has been stable.

Medium term prospects are generally promising for a recovery in cattle and horticulture production and further growth in aquaculture is also anticipated.

Tourism activity has been stable in recent years. There are encouraging signs of growth in the commercial accommodation sector and industry is confident of a good season.

Retail turnover increased in 1998-99 by 5.6% with turnover estimated to reach \$1.5 billion. The strong performance in this sector has seen a substantial expansion of retail facilities.

Overall, the Territory economy has continued to experience sustained growth in most sectors in the last 12 months. Growth has been strongly assisted by the continued expansion of Defence in the Top End and the significant developments in offshore oil and gas.

Total defence expenditure in the Territory in 1998-99 was around \$550 million.

However, the Defence Force relocation program is winding down and while there are signs that smaller relocation programs may be established, it is evident that the Defence Forces will make a lower contribution to the Territory's growth in the future.

Nevertheless there is a permanent addition to the Territory's economic base as a result of the Defence Force presence.

The impact of the oil and gas industry on the Territory's economic statistics is significant, but its effect on Territory employment is less clear.

The large increase in capital expenditure on infrastructure associated with the Northern Endeavour Platform in the Timor Sea, resulted in a significant growth in the Territory's state final demand figures. When production commences, the Territory's state product will also show a marked increase. However, this development will have less of an effect on the Territory's local economy than an on-shore project of a similar magnitude.

Accordingly, the Territory Government is pursuing avenues to maximise onshore oil and gas developments such as a supply base and delivery of gas on-shore for both domestic use and LNG production.

The recent purchase by Phillips Petroleum of BHP's interests in the Timor Sea, including the Bayu-Undan Field, is excellent news. Phillips has long been a proponent of bringing gas onshore where the benefits to all sectors of the Territory economy are maximised.

The Government will, of course play its part and continue to generate activity across the Territory as appropriate. This year's Capital Works and Repairs and Maintenance programs of almost \$430 million with a cash allocation of almost \$300 million, is slightly up on last year. This program has been framed in the expectation of the railway proceeding, and is based on policies that allow industry to thrive.

THE REFORM AGENDA

The Territory Government has always pursued meaningful and useful reforms. We are not slaves to the latest fad, but rather select options with the best results for the Territory.

In the last 12 months activities were reviewed and priorities re-adjusted. Decisions have been taken and reform is underway. Some issues will take time before they are fully implemented, such as the PAWA and health reforms.

It is recognised that the restructuring of Government activities caused some disruption. However, the review process forces questions about what is done and why. While broad based inquiries only occur infrequently, the task of trying to do more with less is never ending.

POWER AND WATER AUTHORITY

The key decisions on the directions for PAWA have already been announced. The Government has rejected the prospect of privatisation but is reducing costs and commercial tariffs. The reform measures will mean that further tariff reductions will be possible in the future.

A regulatory regime is being developed. PAWA has been restructured with a more commercial focus and this is reflected in the Budget Papers tabled today.

The Minister for the Power and Water Authority will provide more detailed information on reform progress later, and Chapter 9 in Budget Paper No. 3, provides an analysis of the reforms in PAWA.

HOSPITAL SERVICES

The Territory Government closely reviewed options available for the provision of hospital services and rejected privatisation.

A wide range of options still remain. More will be done to involve the private sector in health care services, as the Minister for Health and Family Services has already explained to this House.

FRAMEWORK FOR GOVERNMENT BUSINESS DIVISIONS

A range of policy initiatives in respect of Government Business Divisions has been introduced in this Budget. In particular, the Community Service Obligation and Dividend policies have been improved and performance monitoring arrangements enhanced. This is explained in Chapter 8 of Budget Paper No. 3.

There is a new reporting format for Government Business Divisions in Budget Paper No. 2. Budget monitoring processes have been expanded to include commercial reporting information as well as the traditional cash format.

A new business division titled "Territory Wildlife Parks" has been created which is an amalgam of the Territory Wildlife Park, already a business division, and the Alice Springs Desert Park. This will enhance the commercial performance of both parks and attract more tourist dollars to the Territory.

The International Project Management Unit is to cease being a Government Business Division. It will now perform advisory functions for both the public and private sector in expanding operations and services throughout Asia.

Territory Discoveries, part of the Northern Territory Tourist Commission, will operate as a business division from 1 July 1999, to assist small Northern Territory based tourism providers to develop and sell their products.

PAYROLL TAX

One of the key reform measures in this Budget has a direct impact on business.

As previously announced by the Chief Minister, the Northern Territory's pay-roll tax system is in need of change.

The current pay-roll tax framework in the Territory is narrowly based and administratively cumbersome.

Today, I am pleased to announce reforms to improve the system.

These reforms will take effect from 1 July 1999.

The key elements of the reform package involve:

- **reducing the top rate of pay-roll tax from 7% to 6.75%;**
- **removing the current three tiers and having a single flat rate of tax at 6.75%;**
- **increasing the wages threshold at which pay-roll tax begins to be paid from \$520 000 to \$600 000;**
- **broadening the pay-roll tax base to include fringe benefits and superannuation contributions which will align the Territory with the base used in other jurisdictions.**

These reforms will reduce the impost for small to medium sized employers, particularly for those which operate exclusively in the Territory.

It will reduce compliance and collection costs.

Pay-roll tax reductions are expected for 87% of all taxable employers operating exclusively in the Territory.

There are some 240 employers who will share in tax savings of approximately \$1.7 million. The average reduction in pay-roll tax for many of these employers is in the order of 15%.

The measures will also reduce pay-roll tax for many small to medium employers who operate both in the Territory and other jurisdictions.

This will be done on a broadly revenue neutral basis. Thus for the above winners there must also be some losers.

The additional burden falls upon large employers where wages exceed \$3 million.

REVENUE UNITS

It has been decided that fees and charges will be represented as a revenue unit which will replace the existing monetary amount specified in a range of statutes. This will mean that fees and charges can be updated by a single amendment of the value of the revenue unit. Revenue will not increase this year as a result of this measure, because it will take some time for the arrangements to be put in place.

SUPERANNUATION

New fully funded superannuation arrangements for Territory Government employees, consistent with the Commonwealth's minimum Superannuation Guarantee requirements, will start on August 10. Whilst the new arrangements will result in increased Budget outlays in the early years, they will result in substantially reduced costs and liabilities in future years. Eventually there will be an annual saving of \$41 million in today's dollars.

DEBT RESTRUCTURE

In order to reduce future interest rate risk, the decision was taken to limit the Territory's refinancing requirement in any year to a maximum of \$200 million. This decision has already been implemented through a combination of repurchasing existing debt and entering into forward start swaps to even out the Territory's refinancing requirement across the years.

This will significantly reduce the financial exposure facing the Territory in future years, but will not add to the Territory's level of debt.

BUDGET PRESENTATION

The main Budget Papers are clearly identified for easy reference. There are five main Budget Papers and eight supplementary papers, providing the most comprehensive coverage of any Government throughout Australia.

This year Budget Paper No. 1 includes the Budget Speech and summary tables. The Appropriation Bill has been included in Budget Paper No. 2, which provides detailed information by Agency on expenditure and revenue.

The program statements have been enhanced with more emphasis on outcomes and outputs. Budget Paper No. 3 entitled "Issues In Public Finance", deals with both national issues and issues specific to the Territory, such as the analysis of the fiscal strategy.

Budget Paper No. 4 is a summary of the Capital Works Program, and Budget Paper No. 5 provides a professional and comprehensive analysis of the Territory economy and its future prospects.

The supplementary papers include regional highlights, a comprehensive paper of programs for women, and an overview of the Budget.

THE OUTCOME FOR 1998-99

The increase in net debt for 1998-99 is expected to be \$41 million, mainly due to the transfer of expenditure into 1998-99 of some \$48 million from the previous year. Were it not for these transfers, the estimated outcome in 1998-99 would have been better than originally Budgeted.

In essence, this means that the Government has managed to keep the Budget on track in the face of pressures in demand from a growing population and the problems created by the Katherine and Daly River floods.

THE 1999-2000 BUDGET

The Government is Budgeting for a surplus in 1999-2000 and therefore a reduction in net debt in the 1999-2000 Budget.

Net debt is projected to decline by \$1.5 million.

This is a good result given the difficulties that have been experienced in the last two years in managing demand and cost increases in virtually all social service areas and particularly law and order, health and education.

The 1999-2000 Budget includes an outlay of \$14 million to buy back taxi licences. This outlay is in the nature of an investment with a return of \$2 million annually. Accordingly, while the outlay contributes to an increase in net debt in the year in which the payment occurs, it will produce a permanent revenue source.

In net terms, expenditure will be \$1 974.4 million and receipts \$1 975.9 million.

All requirements of the fiscal strategy will be met as detailed in Budget Paper No. 3.

In summary:

- **current outlays will rise by 2.2%, well below the 4.3% combined effects of inflation and population increase to 191 800 Territorians;**
- **the Capital Works Program means the Territory's needs will be met;**
- **the strength of the economy means Territory revenue will be rising and this Budget includes only modest increases in fees and charges;**
- **debt will be further reduced in 1999-2000.**

REVENUE

Before explaining the expenditure initiatives in this Budget, I will outline the sources of revenue.

The Chief Minister explained the outcome of the Premiers' Conference last week. I wish to reiterate that it was a historic occasion. The signing of the Intergovernmental Agreement will stop the erosion of Commonwealth funding to the States and Territories, that occurred after Labor came into power in 1983.

Since that time, total revenue raised by the Commonwealth has increased by 67%, but payments to the States and Territories from the Commonwealth have only increased by 16%. This is an appalling situation. It clearly demonstrates that the Commonwealth Government of the day did not carry out its responsibilities to ensure the nation's resources were equitably shared.

The Howard Government's vision, at great political risk to the Prime Minister and his Government, means Territorians will have access to future revenue growth.

Turning to 1999-2000, Commonwealth grants are budgeted to rise by close to 2%. Importantly, untied grants rise by 3.8% following the review of relativities by the Commonwealth Grants Commission. This means there will be certainty in over 80% of the Territory's funding for at least 3 years and more likely 5 years.

The Territory's own source revenue is Budgeted to rise by 5.2% in 1999-2000. Most of this increase is due to growth in the economy. There will be no increases to water, sewerage or electricity charges.

Charges will increase in areas that have not been reviewed for a number of years:

- **some court fees and charges which have not increased for more than 15 years such as supreme court sheriff's office court fees for filing and issuing and serving summons will increase to state-like levels. This will raise an extra \$1.6 million in a full year;**
- **increased land title search and trade measurement fees will raise \$200 000;**
- **higher fees for pilotage, berthage and pilot exemption certificates will raise \$200 000;**
- **increased charges for the provision of police reports will produce an additional \$100 000;**
- **miscellaneous charges of the Power and Water Authority such as electrical inspection fees, service location documentation and water charges for unmetered automatic sprinkler systems, will be introduced. \$700 000 will be raised;**
- **from July the subsidy arrangements for roadside inns which are connected to mains power, and clubs will be removed. This will generate \$450 000.**

Full details of fees and charges are explained in Chapter 12 of Budget Paper No. 3.

I will now outline the Government's Budget initiatives.

HEALTH & COMMUNITY SERVICES

The Government is committed to providing quality health care to Territorians, despite the rising costs.

In this year's Budget, we have balanced the rising cost of service provision and improved services to the public.

An additional \$9 million has been provided for hospital growth. There is also a large Capital Works and Repairs and Maintenance Program of \$35 million which will benefit all Territory hospitals.

The Alice Springs Hospital has been allocated \$15 million for redevelopment and provision for private facilities.

A master plan for Royal Darwin Hospital will be prepared from which a major expansion and realignment in services is planned.

There is \$6 million for new Accident and Emergency Services at Royal Darwin Hospital as part of significant infrastructure development being undertaken to support the provision of acute care in the Territory.

A quarter of a million dollars is provided for a new renal facility in Katherine which will also receive funding from the Jawoyn Association.

Further development of aged care facilities throughout the Territory is a priority as more and more people make the Territory their choice for retirement. An allocation of \$4 million has been made to assist with the relocation and expansion of the Chan Park Nursing Home.

\$0.5 million will be provided for headworks for the new health precinct at Palmerston. In addition to aged care services, there will be a comprehensive range of health services for a growing community.

An additional \$1 million has been allocated for family and children's services with a focus on child protection.

Almost \$3 million has been allocated for a Rural Health Information project to integrate community care and acute data, to better manage health care.

This year, \$180 000 will be spent on a major evaluation of the Northern Territory Domestic Violence Strategy by the Office Of Women's Policy, reviewing the outcomes achieved to date and determining future directions for Government to consider.

HOUSING

More Territory first home buyers will have access to the Northern Territory HomeStart scheme following an increase in funding to \$23 million in this year's Budget.

In the last two years the Territory Government has helped almost 400 Territorians to purchase their first home. The extra allocation this year will take the number well past 600.

\$11.2 million will be allocated for medium density housing, most of which will be in the peak demand areas of Darwin and Palmerston. There is an excess supply of three and four bedroom houses and these will be sold to finance construction of one and two bedroom units, predominantly for pensioners.

\$5.5 million will be spent in remote localities on Government employee housing and upgraded public housing.

YOUTH AND ETHNIC AFFAIRS

The Youth Grants program will provide support for a diverse range of drug and alcohol free activities.

The Northern Territory Youth Festival, which will involve activities throughout the Territory, has been allocated \$55 000.

\$70 000 will go to the Territory's peak youth advisory group - the Chief Minister's Round Table of Young Territorians.

The Ethnic Affairs Sponsorship Program has been increased from a quarter of a million dollars to \$447 000, reflecting the Government's continued support for the ethnic community.

EDUCATION

An additional \$4.6 million has been included in response to a 2.2% growth in school enrolments.

\$3.4 million will be spent on the Stuart Park Primary School, refurbishing classrooms and upgrading the administration area and preschool.

An increased student capacity of 120 at both Bees Creek and Durack Primary Schools will be built at a cost of approximately \$0.8 million each.

At Larapinta School, the existing preschool will be extended to increase the capacity from 50 to 100 places at an estimated cost of \$0.3 million and the preschool at Elliott Community Education Centre will be replaced costing an estimated \$0.2 million.

The Budget also includes an additional \$1.5 million for new capital and interest subsidies for non-government schools' capital works projects.

The Northern Territory Government has approved expanded capital works and repairs and maintenance for training facilities in 1999-2000.

\$5 million is to be provided for a learning information technology centre at the Palmerston Campus of the Northern Territory University.

A new hospitality tourism and catering training centre will be constructed at the Centralian College Sadadeen Campus at a cost of \$5 million. This facility will replace the existing Gillen House Training Centre.

Almost \$1 million has been allocated for repairs and maintenance to Centralian College.

LAW, ORDER AND PUBLIC SAFETY

The CLP Government has again placed high priority on law, order and public safety.

The Police, Fire and Emergency Services Radio Communications System will be replaced at a cost of \$7.1 million over three years.

In an Australian first St John Ambulance communications will be combined with the Joint Emergency Services Communications Centre at the Peter McAulay Centre at a cost of \$275 000. This will improve the safety of emergency services personnel and response to calls from the public.

The police Air Wing is a critical part of the police response to emergency situations which can arise at any time and at any location throughout the Territory. The existing police aircraft located in the Top End is in need of replacement. This, however, is a significant capital investment. Tenders will be called for a replacement aircraft and will be structured in such a way that all of the possible supply options can be considered, thus leading to the most efficient option being adopted.

More than \$0.4 million will be allocated for DNA sampling and testing and the Territory's contribution to the national criminal investigation database.

The Government has again committed a further \$0.4 million for the police cell upgrade program, consistent with the recommendations of the Royal Commission into Aboriginal Deaths in Custody.

The Corrections Budget includes \$0.6 million to upgrade the security management regime for short term offenders and for additional temporary low security accommodation.

In rural areas, the Bushfires Council will receive an additional \$175 000 for new volunteer fire brigades at Edith Farms and Milne and the purchase of four grassfire units.

TOURISM AND PARKS

The tourism industry is the largest employer in the Territory.

Adding to strong support provided to this industry by successive CLP Governments, marketing expenditure will rise a further \$3 million to \$16 million.

The Commission will establish a major sales and promotion centre in Sydney. "Australia's Northern Territory and Outback Centre" which will include a retail travel, promotion and sales outlet, is perfectly positioned in Sydney's major tourism precinct at Darling Harbour.

Tourism roads in Central Australia will be improved. \$1 million has been allocated for the gravelling and sealing of a section of the Western Tourist Loop Road between Glen Helen and Kings Canyon, improving access to the West Macdonnell tourist area, and the link to Ayers Rock.

A five kilometre section of the Litchfield Park Road from the Cox Peninsula Road end will be upgraded and sealed at a cost of \$0.8 million. This is part of the Government's commitment to upgrade the Litchfield Park Road to an all-season, two-lane sealed standard tourist loop to Darwin via Batchelor and Cox Peninsula Road.

In keeping with a commitment by the Chief Minister detailed studies are well advanced on a convention centre in Alice Springs which will further promote tourism in the region. This will be further considered by Cabinet in June.

The Parks and Wildlife Commission's parks and reserves are major tourist attractions.

In 1999-2000, the Parks and Wildlife Commission will have a Budget of \$36 million, including a range of new works.

In this Budget, \$0.3 million has been allocated to the Territory Wildlife Park to upgrade the park's nocturnal house exhibit.

The Alice Springs Desert Park opened a little over two years ago. This park had 85 000 visitors in its first year. This year visitor numbers at the park are more than 16% above the same period last financial year. The park is well on the way to topping more than 100 000 visitors for the year.

A greater commercial emphasis will spearhead the Government's drive to bring more tourists to the highly acclaimed parks.

\$1.1 million for visitor facilities at Nitmiluk National Park has been provided. An allocation of \$1.2 million for minor new works across all regions, has also been provided.

SPORT AND LIFESTYLE

The Northern Territory Government is renowned throughout Australia for the generous funding it provides to sport. This year's total budget is \$12.3 million.

There has been an increase in funding to the Northern Territory Institute of Sport for new coaching positions and the establishment of the North Australian Heat Acclimatisation Centre.

The Institute will continue the development of elite athletes and will receive an additional \$0.3 million for new coaching programs in cricket and netball, extension of the swimming coach program and North Australian Heat Acclimatisation training program.

SERVICES TO INDUSTRY

Mining remains our major industry and the responsible development of our natural resources will continue to play a central role in the future well being of the Northern Territory.

Developments in the mining, oil and gas, rural and fishing sectors will create jobs and provide wealth to benefit all Territorians.

The creation of the Office of Resource Development with a Budget of \$5.5 million provides a focus for resource development planning and facilitation.

The Office will facilitate major oil and gas developments in the Timor Sea, new mining activities, major agriculture developments, including the Stage 2

development of the Ord River Irrigation area, and promotion of the Territory's resource investment potential.

This Budget provides \$4 million for airborne geophysical surveys, a regional gravity survey, geological mapping and extractive mineral resource assessment along with the establishment of comprehensive databases, predominantly in central Australia.

\$0.2 million is provided to the Department of Primary Industry and Fisheries for market consolidation and expansion of beef cattle exports to Indonesia.

A coordinated program costing \$0.2 million for weed and feral animal control will be managed by the Department of Primary Industry and Fisheries, improving land management practices, resulting in increased productivity.

More than \$60 000 is included for the Northern Territory contribution to the National Recreational and Indigenous Fishing Survey.

Business servicing in the Department of Industries and Business will be substantially improved as a result of regulatory simplification with consolidation of Racing & Gaming and Liquor Statutory Boards.

Services will be expanded in urban and remote communities to deal with fair trading complaints.

The industry and business interface capability will be upgraded with the establishment of a specific industry liaison unit.

There are a number of infrastructure initiatives.

- **\$6 million for the construction of a bulk liquids berth for the relocation of the fuel farms from central Darwin area to a new joint user terminal at East Arm by the oil industry.**
- **Almost \$2m has been provided in the Budget for flood control in Alice Springs. Civil works will include flood water retention weirs in Abattoir Valley, designed to protect the western precinct of the Alice Springs CBD; and the construction of retention basins in the Bloomfield and Bradshaw catchments mitigating the potential effects of flood waters on residential areas of Alice Springs.**
- **Funding for capital works on the road network includes: \$1 million on upgrading gravel sections and stream crossings on the Fogg Bay Road;**

\$2.5 million on the duplication of the carriageway on the Stuart Highway between the Arnhem Highway turnoff and the Elizabeth River Bridge; \$1 million for Bagot Road/Totem Road access to the proposed airport subdivision; \$1 million to seal the first stage of the Berry Springs connector road linking the Cox Peninsula and the Channel Island Roads, providing another link between Berry Springs and Palmerston; \$1.4 million to improve overtaking opportunities between Darwin and Katherine.

- **\$1.5 million for headworks to the Palmerston suburb of Farrar, enabling the release of a further 58 hectares of residential land.**
- **\$4.5 million will be spent to upgrade the Ludmilla wastewater treatment plant and a further \$2 million to divert the Larrakeyah waste to the Ludmilla wastewater treatment plant.**

CONCLUSION

Mr Speaker, it has been another sound year of economic and fiscal management by the CLP Government.

Australia's lowest unemployment, strong growth in all sectors and of course the continuance of a wonderful lifestyle for Territorians - a lifestyle protected by a Government living within its means and doing its part to ensure the financial security of Territory families.

It is not only Territorians who have confidence in our economy. The strength of the Northern Territory economy has been recognised and it is being promoted by national analysts, one of which said: *"the local economy in the Territory is doing remarkably well. If anyone's interested in economic growth and low unemployment, the Territory's the place to be at the moment."*

Mr Speaker the overriding objective of the Northern Territory Government remains the long term economic and social well being of the Territory and its residents.

The 1999-2000 Budget provides fiscal consolidation and aims to create conditions for sustainable economic growth, notwithstanding a slowing Australian economy.

The success of the Country Liberal Party Government over two generations has been built on the principles that job creation, economic wealth and maintenance of the Territory lifestyle don't just happen.

The Government makes it happen. It makes it happen with economic policies and infrastructure development that help industry grow and prosper together with quality Government services for Territorians.

This Budget makes it happen again.

I commend the Bill to Honourable members.

Mr Speaker I move that the statement be noted.

BUDGET SUMMARIES

NORTHERN TERRITORY PUBLIC SECTOR

STAFFING AND GROSS OUTLAYS

ACTIVITY/Program	1999-00 Staffing	1998-99 Estimate	1999-00 Budget	Variation
		\$000	\$000	\$000
TOTAL STAFFING AND GROSS OUTLAYS	16 094	2 934 869	2 997 917	63 048
GENERAL AGENCIES	14 317	2 278 223	2 280 923	2 700
Auditor-General's Office	4	2 195	2 191	- 4
Ombudsman's Office	16	1 455	1 464	9
Department of the Chief Minister	190	27 542	27 324	- 218
Department of the Legislative Assembly	85	13 040	11 890	- 1 150
Office of the Director of Public Prosecutions	42	4 013	4 248	235
Anti-Discrimination Commission	9	802	836	34
Office of Courts Administration	135	13 264	14 053	789
Northern Territory Attorney-General's Department	106	14 628	13 718	- 910
Northern Territory Treasury	127	176 368	86 228	- 90 140
Northern Territory Treasury Corporation	13	202 255	249 771	47 516
Northern Territory Tourist Commission	98	27 038	27 779	741
Northern Territory Police, Fire and Emergency Services	1 252	115 195	121 585	6 390
Parks and Wildlife Commission of the Northern Territory	315	35 017	36 485	1 468
Department of Transport and Works	310	227 336	253 954	26 618
Northern Territory Railway	3	9 500	10 468	968
Work Health Authority	51	4 359	4 346	- 13
Department of Industries and Business	101	12 826	14 649	1 823
Racing and Gaming Authority	38	21 473	19 689	- 1 784
Aboriginal Areas Protection Authority	21	2 287	2 377	90
Department of Lands, Planning and Environment	388	56 708	45 796	- 10 912
Trade Development Zone Authority	10	1 218	1 263	45
Department of Asian Relations and Trade	22	4 272	4 569	297
Department of Mines and Energy	213	21 188	23 622	2 434
Department of Corporate and Information Services: General Services	897	62 187	53 947	- 8 240
Department of Corporate and Information Services: Superannuation Office	20	60 770	65 293	4 523
Office of the Commissioner for Public Employment	62	41 477	43 062	1 585
Office of Communications, Science and Advanced Technology	13	4 390	5 436	1 046
Department of Education	3 508	323 680	304 306	- 19 374
Batchelor College	225	20 046	22 209	2 163
Centralian College	149	11 553	14 909	3 356
Northern Territory Rural College	44	3 210	3 321	111
Northern Territory Employment and Training Authority	43	65 273	69 417	4 144
Department of Sport and Recreation	57	13 888	12 320	- 1 568
Northern Territory University	779	64 226	67 057	2 831
Department of Arts and Museums	108	13 420	12 392	- 1 028
Strehlow Research Centre	4	382	363	- 19
Territory Health Services	3 854	406 655	424 453	17 798
Department of Housing	15	45 399	60 095	14 696
Department of Local Government	84	51 774	48 942	- 2 832
Office of Aboriginal Development	23	2 252	2 575	323
Department of Primary Industry and Fisheries	374	43 630	37 641	- 5 989
Northern Territory Correctional Services	509	40 831	43 380	2 549
Treasurer's Advance		9 201	11 500	2 299

NORTHERN TERRITORY PUBLIC SECTOR

STAFFING AND GROSS OUTLAYS

ACTIVITY/Program	1999-00 Staffing	1998-99 Estimate	1999-00 Budget	Variation
		\$000	\$000	\$000
BUSINESS DIVISIONS	1 777	656 646	716 994	60 348
TRADING BUSINESS DIVISIONS	1 018	505 525	563 012	57 487
Territory Discoveries	8	1 210	2 299	1 089
Darwin Port Authority	48	24 333	26 296	1 963
Power and Water Authority	795	319 050	326 093	7 043
Darwin Bus Service	58	5 522	7 195	1 673
TAB		14 849	15 335	486
NT Housing	109	140 561	185 794	45 233
OTHER BUSINESS DIVISIONS	759	151 121	153 982	2 861
Territory Wildlife Parks	92	7 069	8 681	1 612
Construction Agency	270	34 389	30 700	- 3 689
NT Fleet	42	43 369	43 123	- 246
Government Printing Office	51	8 292	7 412	- 880
Information Technology Management Services	304	58 002	64 066	6 064

NORTHERN TERRITORY PUBLIC SECTOR

GROSS OUTLAYS AND RECEIPTS

	1998-99 Estimate	1999-00 Budget	Variation
	\$000	\$000	\$000
OUTLAYS BY ACCOUNT	2 934 869	2 997 917	63 048
General Agency Operating Accounts	2 278 223	2 280 923	2 700
Business Division Operating Accounts	656 646	716 994	60 348
OUTLAYS BY CATEGORY OF COST	2 934 869	2 997 917	63 048
Personnel Costs	928 861	987 868	59 007
Operational Costs	881 271	888 830	7 559
Capital Expenditure	265 393	303 319	37 926
Grants and Subsidies	542 446	462 530	- 79 916
Interest	238 548	227 278	- 11 270
Advances	69 149	116 592	47 443
Advance to the Treasurer	9 201	11 500	2 299
RECEIPTS BY ACCOUNT	2 893 648	3 007 006	113 358
Consolidated Revenue Account	1 620 392	1 666 895	46 503
General Agency Operating Accounts	596 523	634 579	38 056
Business Division Operating Accounts	676 733	705 532	28 799
RECEIPTS BY SOURCE	2 893 648	3 007 006	113 358
Taxes Fees and Fines	236 320	250 822	14 502
Charges	593 007	626 490	33 483
Miscellaneous Receipts	44 915	35 987	- 8 928
Sale of Land	12 822	12 646	- 176
Capital Receipts	165 705	123 340	- 42 365
Property Income	30 791	30 909	118
Interest Received	35 399	34 538	- 861
Advances Received	38 957	43 407	4 450
General Purpose Commonwealth Grants	1 050 013	1 089 720	39 707
Commonwealth Revenue Replacement Payments	119 767	122 864	3 097
Other Commonwealth Grants	324 765	310 137	- 14 628
Territory Borrowing	- 3 328	44 811	48 139
Intrasector Receipts	244 515	281 335	36 820
USE OF BALANCE (a)	41 221	- 9 089	- 50 310
Consolidated Revenue Account	17 234	- 16 457	- 33 691
General Agency Operating Accounts	44 074	- 4 094	- 48 168
Business Division Operating Accounts	- 20 087	11 462	31 549
(a) OPENING BALANCE	267 819	226 598	- 41 221
Consolidated Revenue Account	19 087	1 853	- 17 234
General Agency Operating Accounts	132 290	88 216	- 44 074
Business Division Operating Accounts	116 442	136 529	20 087
less CLOSING BALANCE	226 598	235 687	9 089
Consolidated Revenue Account	1 853	18 310	16 457
General Agency Operating Accounts	88 216	92 310	4 094
Business Division Operating Accounts	136 529	125 067	- 11 462

NORTHERN TERRITORY PUBLIC SECTOR

ECONOMIC TRANSACTIONS

	1998-99 Estimate	1999-00 Budget	Variation
	\$000	\$000	\$000
CURRENT EXPENDITURE	1 707 320	1 743 923	36 603
Final Consumption Expenditure	1 243 937	1 257 200	13 263
Current Grants and Subsidies	291 581	311 207	19 626
Interest Paid	171 802	175 516	3 714
CAPITAL EXPENDITURE	259 484	230 506	- 28 978
New Fixed Assets	239 610	227 851	- 11 759
Capital Grants	166 152	57 186	- 108 966
Other Net Expenditure	- 146 278	- 54 531	91 747
less			
TERRITORY REVENUE	430 797	453 157	22 360
Taxes Fees and Fines	236 320	250 822	14 502
Property Income	30 791	30 909	118
Interest Received	35 399	34 539	- 860
Surplus of Business Divisions	128 287	136 887	8 600
COMMONWEALTH GRANTS	1 494 545	1 522 721	28 176
General Purpose Grants	1 050 013	1 089 720	39 707
Revenue Replacement Payments	119 767	122 864	3 097
Other Grants	324 765	310 137	- 14 628
equals			
INCREASE IN TERRITORY DEBT	- 10 959	- 11 100	- 141
Net Territory Borrowing	- 3 328	44 811	48 139
Commonwealth Advances	- 7 631	- 55 911	- 48 280
DECREASE IN FINANCIAL ASSETS	52 421	9 651	- 42 770
Net Territory Advances Repaid	11 200	18 739	7 539
Use of Balances	41 221	- 9 088	- 50 309
