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Power and Water Corporation
Territory Housing
Tourism NT

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Budget 2006 builds on the Government’s priorities of:

- supporting and growing business;
- improving educational outcomes;
- building a healthier Territory;
- providing a safer community for all Territorians; and
- enhancing our great lifestyle.

Building the Territory’s Future

The Government has committed significant investment funds to strategic infrastructure:

- roads and transport infrastructure;
- schools and the Desert People’s Centre;
- Darwin Waterfront Development; and
- public, Indigenous and Government employee housing.

The 2006-07 Budget supports Territorians and local business by:

- lifting the payroll tax threshold from $1 million to $1.25 million;
- completion of the four year $15.2 million Building the Territory’s Resource Base investment attraction program for the minerals and energy sectors;
- additional $10 million a year for the Investing in the Future of the Territory tourism marketing and development strategy;
- abolishing stamp duty payable on rent paid for the grant and renewal of leases and franchises and unquoted marketable securities from 1 July 2006; and
- implementing the Buy Territory policy requiring at least a 20 per cent weighting on local tenderers for Government works and services, to build the capacity of Territory business.

Record Budgets: Health, Education and Police

The Government’s commitment to the key priority areas of health, education and police is strengthened with record budgets in 2006-07:

- $789 million for health and community services;
- $631 million for employment, education and training; and
- $212 million for police, fire and emergency services.
Local Jobs and Better Skills

Building a stronger future for the Territory through the development of a skilled workforce is a key priority for Government.

The 2006-07 Budget continues the focus on building a skilled workforce. It injects funding of $84 million to support key jobs programs as well as encouraging employees to upgrade or maintain existing skills through nationally recognised programs.

The emphasis on training ensures that skilled workers are available into the future to expand and grow the Territory economy.

The 2006-07 Budget also focuses on infrastructure, ensuring that jobs are provided both directly and indirectly for Territorians. The Government’s high level of infrastructure spending supports jobs for Territorians, work for local business and a flow-on effect through the whole economy. This includes:

- delivery of economic investment such as the Darwin Waterfront Development and the Desert Knowledge Precinct;
- continued upgrading of the Mereenie and Litchfield loops roads, the Victoria Highway and other strategic Territory roads; and
- facilitation and delivery of complementary infrastructure for East Arm Wharf, including completion of the bulk handling and shiploader facilities, an interim quarantine waste disposal facility and an upgraded control system for the container crane.

The Territory’s low tax regime also assists with business and economic growth, which translates into jobs for Territorians.

### 2006-07 Major Works Program

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
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<tr>
<td>Roads and other transport infrastructure</td>
<td>$74.47M</td>
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<tr>
<td>Schools</td>
<td>$33.81M</td>
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<td>Housing</td>
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<td>Darwin Waterfront Development</td>
<td>$15.54M</td>
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<tr>
<td>Desert Knowledge Precinct</td>
<td>$14.16M</td>
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<td>Hospitals – Darwin, Alice Springs and Tennant Creek</td>
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<td>Lifestyle and environment</td>
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<td>Darwin Port and Business Park</td>
<td>$5.89M</td>
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<tr>
<td>Police, fire and emergency services</td>
<td>$4.99M</td>
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<tr>
<td>Land developments</td>
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Since 2001, the Government’s program of tax reform has made the Territory the most competitive of all the states for recurrent taxes paid by small business. Together with its focus on development, the Government’s tax policies have stimulated economic growth and generated prosperity across the Territory.

Lower Taxes

Budget 2006 will see the implementation of the latest tranche of tax cuts designed to directly benefit Territory business. Since 2001, these cuts have delivered a total savings of $74 million. The Territory is now the lowest taxing jurisdiction in Australia in relation to recurrent taxes for small business.

- The payroll tax-free threshold will rise from $1 million to $1.25 million from 1 July 2006, releasing another 58 businesses from the payroll tax net. This brings the total to 187 businesses relieved of the payroll tax burden since 2001. More than 1300 businesses will benefit from the increased payroll tax threshold, with locally-based Territory businesses that continue to pay payroll tax expected to save, on average, an additional $13 500 in payroll tax a year.

- The Government has also committed to reducing the payroll tax rate from 6.2 per cent to 5.9 per cent, at an estimated value of $6.2 million, during its current term.

- From 1 July 2006, stamp duty payable on the rent paid for the grant and renewal of leases and franchises and on unquoted marketable securities will be abolished. This will save Territorians, including Territory businesses, about $2 million each year.

- Stamp duty on hiring arrangements is also set to cease from 1 July 2007, worth $5.3 million a year. The Government’s commitment to tax reform also extends to abolishing stamp duty on the non-land component of business conveyances, worth about $6.8 million a year.

Residential Construction is Strong

Over the past two years, the value of residential construction work done increased by 37 per cent and residential building approvals have grown by 36 per cent. These strong figures have translated into jobs and business opportunities for the construction industry, suppliers and related support services across the Territory.

Such strong growth has been supported in large part by Government programs:

- the first home owner grant scheme ($7000) and stamp duty first home owner concession (up to $8015);

- principal place of residence stamp duty rebate (up to $2500) on other home purchases;
HomeNorth schemes to enable low and middle income earners to purchase a home (estimated $80 million in 2006-07); and

public, Indigenous and Government employee housing construction and upgrade programs across the Territory (about $86 million in 2006-07).

The outlook for residential housing sales, prices and construction is solid, based on recovering population growth in the Darwin region.

Economic Growth

The major influence on estimated economic growth of 6.7 per cent in 2005-06 has been strong onshore activity, with work on major projects, most notably construction of the liquefied natural gas (LNG) plant at Wickham Point and the Alcan G3 refinery expansion. The mining and energy sectors have strengthened and population growth has been supporting solid residential construction. Employment is growing and the tourism industry continues to recover.

Economic growth – forecast to remain strong at 5.8 per cent in 2006-07. A full year of LNG production, peak production at the Bayu-Undan gas and condensate fields, increased alumina production from the Alcan G3 refinery and a full year of production at the new Bootu Creek mine near Tennant Creek will be the major contributors to growth.

Exports – strong growth will largely offset the significant decline in business investment as work on the Alcan expansion and the LNG plant finishes. These projects were substantial, and investment on this scale again is unlikely, at least in the short term.

Employment – forecast to increase by 2.3 per cent in 2006-07, supported by construction work on the Darwin Waterfront Development, continuing high levels of residential construction and the continuing rebound in international visitor numbers. It is expected to be partially offset by a drop in fly in fly out employment associated with the Alcan G3 refinery expansion and construction of the LNG plant.

Population – strong growth over the past year, estimated at 1.7 per cent in 2005-06, and forecast to keep growing by 1.5 per cent in 2006-07, buoyed by a positive economic outlook and employment opportunities.

Summary of Territory Economic Indicators

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<td>Resident employment</td>
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<tr>
<td>Darwin CPI</td>
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<td>2.1</td>
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<td>2.9</td>
</tr>
</tbody>
</table>

1 As at December, annual percentage change
2 As at December
Sources: Australian Bureau of Statistics and Northern Territory Treasury
Skills and Jobs

Over the next four years, the Government will spend $300 million on training and supporting Territorians to develop better skills and access local jobs. Of this, $60 million is directly committed to vocational education and training.

Creating Jobs

- Stage 1 of the $1.1 billion Darwin Waterfront Development is under way, with the foundation pad for the Darwin Convention and Exhibition Centre complete. Stage 1 will see $300 million injected into the local economy and create 1000 jobs, with $100 million spent in 2006-07.
- The $2 billion expansion of the Alcan alumina refinery at Gove is proceeding on schedule. A peak construction workforce of 1700 people is expected in May 2006, with its flow-on effects for the local economy. The refinery currently employs a workforce of more than 1100 and, once fully operational, the expanded refinery will employ up to 120 additional workers onsite.
- The Government has two major outsourced contracts for the provision of information technology and telecommunications services to all government agencies, including the creation of 28 new graduate information technology jobs and 150 new call centre positions over the next four years.

Training

- $8.9 million for support and training at the Batchelor Institute of Indigenous Tertiary Education.

Jobs Plan 1 and 2

The 2006-07 Budget will continue the coordinated approach to planning for jobs and mapping the future needs for a skilled and flexible Territory workforce.

Under Jobs Plan 1 and 2, the Government will continue to provide incentives to employees to encourage employment of additional apprentices and trainees in areas of skill shortages and ensure that training dollars are spent in areas that deliver skilled workers to local businesses.

Small Business Incentive
- 125 incentives valued at $3000 each will be available to small businesses to employ a trainee or apprentice

Traditional Trade Incentive
- 150 incentives per year valued at $7000 each will be available to employers to take on an apprentice in a traditional trade area.

Better Skills
- Over 2600 apprentices and trainees commenced in 2005 with a similar number expected to commence in 2006. The programs are on track to deliver 10 000 new Territory apprentice and trainee commencements over the next four years.
- Increasing the WorkWear WorkGear Bonus program from $0.85 million to $1.23 million to assist apprentices and trainees with the cost of work wear, safety gear and other work-related necessities during the first year of their apprenticeship or traineeship.
• A $1.5 million increase to funding for Charles Darwin University to improve facilities and the level and quality of training in traditional trade qualifications.

• $0.98 million will fund a new three year joint Indigenous funding initiative to maximise training opportunities and improve vocational education and training outcomes for Indigenous students.

• Offering financial bonuses of $1000, as part of the WorkWear WorkGear Bonus program, to apprentices in identified skill shortage areas and $300 to trainees, to assist them to start their training (for example, to buy work gear, boots, tools and other necessary equipment).

• $0.45 million in funding and training will support Indigenous communities in relation to the Marine Ranger Program.

• $0.4 million is committed to pre-vocational programs to assist unemployed and young Territorians to take up jobs or traineeships.

• 40 scholarships worth $4000 each to assist with fees and material costs for Territorians studying for VET Certificate III to Diploma level courses.

**Skills and Knowledge**

• $6.55 million will be provided as an operating grant to Charles Darwin University for tertiary programs.

• $1.15 million will be provided to peak Territory industry associations for specific industry development services, including additional funding of $60 000 to provide a training officer within the Australian Hotels Association and Clubs NT.

• $0.65 million will continue delivery of business management and capability programs, including UpSkills workshops and business coaching services, the Business Growth program and practical events during October Business Month.

• $0.86 million to continue the Business and Skilled Migration Program, including certification services for employer-sponsored nominations and sponsorship applications, and awareness-raising sessions for employers on migration options for potential employers.

• $0.19 million in grants to support research and innovation.

• Other tertiary assistance will total $0.95 million in 2006-07.

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**Training for Remote Workers**

Budget 2006-07 includes $4.4 million for the development and management of training initiatives to assist remote Territorians to develop better skills and meet the needs of the local industry and community within the Northern Territory.

Emphasis is placed upon youth-orientated qualification and competency based programs, such as Training for Remote Youth (TRY), which addresses the importance of re-engaging remote and regional youth in learning and training. The funding components include:

• $1.8 million to deliver accredited and non-accredited training in response to community needs;

• $1.3 million supporting regional and remote training centres;

• $1 million for training programs targeting youth between the ages of 14 and 19 with the aim of engaging them in training and learning; and

• $0.3 million towards the Community Response Program, which allows remote Territorians to gain skills, including driver and first aid training, which improves employability and work readiness.
Improving education outcomes is of strategic importance to the Territory’s future. This year, a budget of more than $630 million will be directed to education services, and highlights are outlined below.

### Schools and Education
- Introducing the Government’s 2005 election commitment, the Back to School Payment (funded at $1.9 million per annum) assists parents with schooling costs.
- Improving students’ learning through implementing a middle years approach throughout the Territory, providing counsellors to secondary schools and improving and expanding the delivery of vocational education and training (VET) programs in secondary schools, including the provision of enterprise education grants for students.
- Continuing implementation of the National Accelerated Literacy Program to improve the literacy skills of learners who have failed to make appropriate literacy gains in schools. In 2005, 3300 students undertook the program across 27 schools throughout the Territory, including 14 in remote locations, with 150 classes provided and 220 teachers undergoing professional development and training. Expansion of the program for up to 70 schools is planned by the end of 2007.
- Continuing the program to provide a laptop computer for every government school classroom teacher to strengthen computer literacy and improve access to online school resources. Around $5 million will be spent over four years, with $1.57 million allocated in 2006-07 to support this initiative.
- Additional funding of $13.9 million in 2006-07 provided to attract and retain quality teachers and educators in the Territory.

### Non-Government Schools
- $82.6 million in funding for non-government schools, including an additional $0.23 million introduced during 2005-06 for recurrent funding for additional educational costs associated with curriculum, special student services and information technology.
- A resource agreement with the Catholic Education Office will provide $7.8 million from 2006-07 to improve the quality of education outcomes in five remote Territory schools managed on behalf of the Territory Government, at Wadeye, Daly River, and the Tiwi Islands in the Top End, and Santa Teresa in Central Australia.
Transition from School to Work

The 2006-07 Budget provides $4.4 million for the School to Work Transition strategy. This includes the VET in Schools Program, School-Based New Apprenticeships, and the Workready Program as well as VET initiatives under Building Better Schools.

The strategy includes:

- $2.27 million for the VET in Schools program to provide VET courses and careers advice to more than 1100 students while at school, and as they prepare to move into the Territory workforce;
- $0.95 million to expand VET under Building Better Schools;
- $0.2 million to support the Workready program which assists students in their transition to work; and
- $1 million for driver training and licensing for 16 to 18 year olds.

Building Better Schools

In February 2005 the Territory Government announced a $42 million investment over four years to improve the quality and delivery of secondary education programs in urban, rural and remote communities.

$12.47 million has been allocated in 2006-07 to implement a wide range of activities including:

Investing in Students and Learning
- supporting new programs to help parents and teachers work together more effectively to enhance students’ learning
- developing a new teaching and learning framework to provide professional support to teachers
- more funds for Vocational Education and Training (VET) to expand subject choice and provide important skills
- stronger focus on engaging 11 to 14 year olds in education

Supporting the Territory’s Teachers
- investing in teachers’ professional development and providing opportunities to share good teaching and learning practices
- enhancements to teaching and learning for students with special needs
- supporting teachers to record students’ learning needs, progress and achievements
- implementing a new staffing formula to meet the needs of students including providing greater equity between the remote and urban areas

Investing in Indigenous Education
- improving Indigenous students’ educational outcomes and social and emotional wellbeing through the new Indigenous Students Leadership and Mentorship Program
- supporting more cooperative working relationships between schools including collaborative trial sites to enable on site delivery of secondary education in remote schools

Building Stronger School Communities
- improving data collection, analysis and reporting for school communities
- supporting school communities by developing programs to encourage young people to undertake leadership and support roles in the community

Distance Education
- establishing an interactive Distance Learning Studio at Katherine School of the Air
- work is under way to improve delivery of distance education to remote secondary students
Darwin
- $113.8 million for school services
- $134.7 million for police, fire and emergency services
- $511.4 million for acute and non-acute health and community services
- Mud crab aquaculture at Kulaluk
- Darwin High School – refurbishment
- Hidden Valley Motor Sports complex – remedial works
- Darwin Football Stadium at Marrara for soccer
- Traffic and pedestrian management improvements on Darwin urban arterial roads
- Remedial works to sheet pile wall at Fishermans Wharf
- Royal Darwin Hospital – upgrade existing lifts in main tower complex
- Batten Road upgrade – stage 1
- Darwin Waterfront Development – stage 4

Palmerston and Litchfield
- $62.3 million for school services
- $11 million for police, fire and emergency services
- $2.6 million for non-acute health and community services
- Works at Territory Wildlife Park including car park lighting and protection from cane toads
- East Arm Wharf – upgrading of container crane drive systems
- Humpty Doo Primary – new classrooms for high support special needs students
- Darwin Business Park – sewerage headworks
- Funding for animal health testing services to livestock industries at Berrimah Veterinary Laboratories

Katherine
- $42.5 million for school services
- $14.2 million for police, fire and emergency services
- $42.5 million for acute and non-acute health and community services
- Victoria Highway – flood plain upgrade of Victoria River, Joe Creek, Sandy Creek and Lost Creek bridges to improve access
- Ngukurr – investigate and drill new bores
- Wugular (Beswick) School – construction of new facility above the floodline
- Kalkarindji – construction of new health centre
- Nitmiluk National Park – upgrade first and second gorge crossovers
- Funding for integrated land, water and weed management advice to land-holders
- Funding to implement the pilot Peace at Home project

Territory Wide
- Share our Story tourism marketing campaign
- Support and training for trainees and apprentices
- Funding to the Legal Aid Commission to provide legal assistance
- Funding for Building Better Schools to improve access, outcomes and engagement of secondary students
- Funding for services for people with disabilities under the Commonwealth/State/Territory Disability Service Agreement
- Renewal energy rebates for Indigenous communities, pastoral and rural properties, and road houses
- New classrooms and school facilities in support of the implementation of middle years schooling
- Darwin and Alice Springs mental health facilities
- Upgrades to local roads under the Local Roads to Recovery program
- Government employee and general purpose housing – construction and upgrades
### East Arnhem
- $38.2 million for school services
- $5.8 million for police, fire and emergency services
- $31.6 million for acute and non-acute health and community services
- Yirrkala, Galiwinku, Umbakumba and Ramingining – continue upgrades of remote health centres
- Mud crab aquaculture at Maningrida

### Barkly
- $19 million for school services
- $6.7 million for police, fire and emergency services
- $15.9 million for acute and non-acute health and community services
- Canteen Creek – replace power station
- Funding to increase internet access in Alekerange (Ali Curung)
- A study on the release of residential allotments in the Ti Tree area
- Funding for Barkly marketing and visitor information services

### Top End Rural
- $23.4 million for school services
- $6.7 million for police, fire and emergency services
- $26.4 million for non-acute health and community services
- Wadeye – new secondary education facility
- Grant to the Power and Water Corporation to complete power extension to Dundee Beach
- Funding to provide and manage the Douglas Daly Research Farm
- Joint project with the Australian Greenhouse Office to harvest *Mimosa pigra* at Beatrice Hill to produce gas to drive power generators
- Mary River Wetlands – construct new and upgrade existing weirs for saltwater intrusion control works

### Alice Springs
- $56.8 million for school services
- $31.6 million for police, fire and emergency services
- $157.3 million for acute and non-acute health and community services
- Alice Springs Hospital – continue fire protection, airconditioning and remediation works, and staff accommodation upgrade
- Desert Knowledge Precinct – headworks and construction commencement
- Construction of Mutitjulu police post with visiting officer accommodation
- Mereenie Loop Road – stages 1 and 2
- Mt Johns Valley – headworks stage 1
- Funding to the Central Australian Tourism Industry Association for intra-Territory marketing and visitor information services
- Funding for the Desert Knowledge Linked Business Network
- Flynn Drive renal facilities – upgrade
A Safer Community

The Government is committed to providing a safer community for Territorians.

Police

- Total funding for the fourth year of the Building Our Police Force strategy is $32 million for the continued implementation of the recommendations of the O’Sullivan Assessment:
  - providing more police for core policing duties and improved living and working conditions for police in the Territory;
  - establishing dedicated traffic branches in Darwin and Alice Springs;
  - providing increased capacity to develop, implement and promote educational road safety programs aimed at reducing the incidence of road trauma among vulnerable road user groups; and
  - purchasing a coastal vessel for the East Arnhem region and road safety equipment.

- Funding of $0.44 million in 2006-07 for stage 2 of an initiative will provide Aboriginal Community Police Officers working in remote communities with police-owned vehicles to carry out their duties.

Community Safety

- A continued emphasis on counter-terrorism initiatives will ensure the Territory maintains its capacity to respond to incidents effectively and efficiently. Funding in 2006-07 includes $0.76 million to purchase, maintain and replace equipment and provide training to develop an urban search and rescue capability.

- Juvenile Diversionary Program grant funding of $1.76 million in 2006-07 ongoing for Community Youth Development Units and support services, and case management by non-government organisations.

- Boosting security on the Darwinbus public transport network.

- $0.75 million will be allocated for crime prevention grants to community organisations and for regional safety plans.

- Distribution of Community Benefit Fund monies totalling $1.53 million to amelioration and research programs as part of the Territory’s commitment to key focus areas in the National Framework on Problem Gambling.

Antisocial Behaviour

- Funding of $0.63 million for Social Order Patrols in the Greater Darwin region to combat antisocial behaviour.
- $0.2 million to establish the Alcohol Court.
- Implement measures to enable the declaration of liquor restriction on certain private premises, and places open to the public such as church grounds and shopping centres.
- Working with local stakeholders, support the development, implementation and monitoring of alcohol management plans in the communities of Alice Springs, Tennant Creek, Katherine and Darwin’s central business district.
Neighbourhood Watch grants of $0.11 million to assist community-based crime prevention programs aimed at the protection of property and personal safety.

Funding of $0.16 million in 2006-07 to continue the Under 5 Water Safety Voucher Scheme to ensure Territory children under 5 years are taught water awareness and safety.

**Justice Services**

- $3.18 million will fund the Legal Aid Commission in 2006-07 to provide legal assistance in matters arising under Territory law.
- Additional funding of $0.12 million from 2006-07 onwards for the establishment of a Victims Support Unit.
- Additional funding of $0.07 million for Victims of Crimes NT to expand its programs.
- Additional ongoing funding of $1.68 million from 2006-07 for costs associated with increased prisoner numbers, including health care and education of prisoners.
- Additional $0.45 million allocated to meet court operating costs.
- $0.18 million is allocated for assessment and advisory services to the court in cases of volatile substance abuse.

**Fire and Emergency Services**

- Funding of $0.5 million in 2006-07 to continue the implementation of the Fire Service Review recommendations to address management and workplace issues, including industrial relations, human resource management and staff development in the Fire and Rescue Service.
- Proceed with construction of the new $4 million Marrara Fire Station.
- Funding across the Territory for 19 emergency service volunteer units and 21 volunteer bushfire brigades.
- Ongoing responses to the effects of natural disasters across regional areas, to restore public assets, such as roads and schools, and assist with community recovery.
Healthier Communities

The Territory Government is working to improve the health status and wellbeing of people in the Territory. The health and community services budget for 2006-07 is $789 million, up from $687 million in Budget 2005.

Health Services

- Additional funding of $20 million to meet service demands including:
  - an additional $14.1 million towards sustaining high levels of growth in hospital activity, including implementing responses to proposals about improving flows and capacity for admitted care, elective surgery and emergency department attendances;
  - an additional $0.8 million to expand services required for renal patients across the Territory;
  - an additional $0.3 million towards implementing priorities identified in the Palliative Care Strategy; and
  - sustaining high levels of growth in community services in areas such as mental health and child protection.
- $13 million in 2006-07 for the National Trauma Centre at Royal Darwin Hospital.
- Funding of $0.56 million to support new treatment places for people who are subject to an Alcohol Intervention Order or a Prohibition Order from the Alcohol Court.
- $0.36 million for stage 3 of the upgrading and expansion of renal facilities in remote communities.
- $0.23 million to be provided to the Child Ear Health Program to provide a universal hearing test for newborn Territory babies.
- $0.56 million for increased hospital bed capacity at Royal Darwin Hospital.
- $3.9 million for health research, including Menzies School of Health Research and the Cooperative Research Centre for Aboriginal Health.
- $2.2 million for specialist child health staff and community-based child health workers across the Territory.

Community Services

- $19.2 million for services for people with disabilities under the Commonwealth/State/Territory Disability Services Agreement.
• From 2006-07, $1.05 million will provide concessions through the Northern Territory Carer’s Card on living expenses such as rates, power and water, to Territory recipients of the Australian Government Carers’ Allowance.

• An additional $1.7 million in 2006-07 to meet the care and support needs of children and young people entering into the care of the Minister in the Northern Territory.

• An additional $0.66 million in 2006-07 to increase pensioner concession funding for power, water and sewerage services.

• Establish a new family support service in the Barkly region with funding of $0.2 million.

• Additional Territory funding of $0.2 million in 2006-07 for the Supported Accommodation Assistance Program to address the needs of homeless children and to respond to family violence in remote communities.

• $0.9 million to further implement two key child protection and family violence services under a partnership funding agreement with the Australian Government.

• Playground equipment funding for children’s services across the Territory will be increased by $0.5 million in 2006-07.

• Additional funding of $0.5 million will enhance existing services in the Home and Community Care Program.

• $0.45 million will support people with ageing-related and disability issues to return home to remote communities from hospital stays.

**Mental Health, Volatile Substance Abuse**

Increasing spending commitments and improving mental health services, the Territory Government has allocated:

• Funding of $0.5 million to provide a new Central Australian Mental Health Crisis Assessment service to mental health consumers and their families. The service will have mental health clinical staff located within Alice Springs Hospital’s Emergency Department for extended hours, providing crisis assessment and intervention.

• An additional $0.5 million from 2006-07 for community-based residential care services, with 24-hour support for people with mental illness and their carers.

• $0.7 million to construct residential mental health care facilities in Darwin and Alice Springs.

• $0.63 million to expand residential treatment for volatile substance abuse services by the Drug and Alcohol Services Association.

• $0.29 million for intensive support for youth with volatile substance abuse problems (BushMob).

• $0.14 million for volatile substance abuse treatment services in remote communities in Central Australia.

• $0.5 million for Arrente House volatile substance abuse treatment facilities in Alice Springs.

• $0.2 million for volatile substance abuse treatment services in Darwin.
Living in the Territory

Culture and Heritage

- $8.7 million for the Museum and Art Gallery of the Northern Territory at Bullocky Point, and $3.5 million for the Araluen Centre in Alice Springs.
- $4.9 million in arts and screen sector grants for showcase opportunities.
- $0.3 million for the Public Art Policy to enhance the quality of the built environment and public facilities and to support the arts community through economic and professional opportunities.
- Grant funding of $3.2 million will continue in 2006-07 for 27 public libraries across the Territory.
- $0.2 million will continue to be provided for regional museums grants.

Parks and Environment

- $10.7 million to manage and preserve the network of parks and reserves across the Territory.
- Funding of $1.0 million to improve water, ecosystem and land use research and monitoring for the Daly River.
- An extra $0.58 million to escalate the eradication of the Cabomba aquatic weed which presents a high level risk to the Darwin water supply.
- $0.57 million in grants to community organisations to encourage and promote adoption of sustainable environmental practices by householders, industry and local government.
- Additional funding of $0.35 million relating to the management and sustainable utilisation of inshore marine resources.
- $0.6 million to progress the development and implementation of threatened species recovery plans and a reassessment of the threatened status of Territory wildlife.
- Collection, collation and communication of information on soil, vegetation and land capability to reduce risks and achieve sustainable development of land for rural production, industrial and community use, and infrastructure development.
- $0.6 million to continue with research and control efforts on feral and pest terrestrial vertebrates with an emphasis on camels, horses and donkeys.
- $3.0 million to implement the Joint Management Program into parks and reserves in accordance with the Territory Parks and Wildlife Conservation Act.
- $0.16 million to prepare the nomination of West MacDonnell National Park for both National Heritage and World Heritage Listing.
Sport and Events

- $6.77 million provided under the Racing Industry Agreement to support thoroughbred racing across the Territory, and $0.34 million will support the greyhound racing.
- $5.8 million will be paid in grants to peak and grass roots sport and recreation bodies.
- $0.55 million will assist in staging the 11th Alice Springs Masters Games and $2.35 million will fund the Arafura Games.
- $0.08 million per annum will be provided for three years from 2006-07 to stage Perth Wildcats basketball games in Darwin.
- 'A' Series Cricket competitions will be staged in the Territory with funding of $0.09 million in 2006-07.
- $0.15 million will provide for facilities upgrades at Darwin and Palmerston Golf Clubs and promotional funding for the first ‘B’ Grade Amateur Golf Championship in Australia.
- Additional funding of $0.21 million a year to the Northern Territory Institute of Sport will reinstate netball as a Tier 2 sport.
- $2.4 million will support major events in 2006-07, including V8 Supercars, Bass in the Dust and Bass in the Grass.

In the Community

- Investment in housing works totals $85.7 million in 2006-07:
  - Indigenous housing: $41.7 million;
  - public housing: $8.2 million;
  - government employee housing: $13.4 million; and
  - minor works and repairs and maintenance: $22.4 million.
- A total of $1.44 million will provide development coordinators for the Mutitjulu and Alywarra projects in Central Australia and in East Arnhem, Thamarrurr, the Tiwi Islands, Nyirranggulung, Victoria River and the Gulf Regions to assist in developing governance capacity and facilitating regional local government.
- Continue to improve bus accessibility and comfort for all members of the public by acquiring low-floor, easy-access vehicles and airconditioning.
- $3.7 million to continue women’s, youth, multicultural and seniors’ advancement within the community.
- Small grants to community organisations for local community benefit will total around $1.1 million.
**Fiscal Outlook**

In 2005-06 revised cash targets were set for 2005-06 through to 2007-08 to reflect the Territory’s investment in the Darwin Waterfront Development project.

These targets have been updated for 2005-06 to 2007-08 to take into account revised timing for the project works to realign the completion of the community infrastructure with the Darwin Convention and Exhibition Centre. This results in an improvement of $21 million in 2005-06 and a corresponding worsening in 2006-07 and 2007-08. A return to a balanced budget position is still expected in 2008-09, with a small surplus projected for 2009-10.

Between 2001-02 and 2004-05 net debt declined by $100 million. With the investment in the Waterfront and expected deficit in 2005-06 to 2007-08, net debt will rise by $147 million.

By 2009-10 it is set to return to levels more consistent with 2001-02. When measured as a percentage of revenue, the Territory’s net debt ratio is forecast to drop from 67 per cent in 2001-02 to 47 per cent by 2009-10.

Interest payments have also steadily declined from $196 million in 2001-02 and will continue to do so until 2007-08 when there is a small increase due to the effect of the Waterfront project.

Own-source revenue comprises about 20 per cent of the Territory’s total revenue. The largest component is payroll tax, followed by taxes on property (stamp duties on financial and capital transactions) at 22 per cent.
In 2006-07 key functions of health, education and public order and safety will comprise 56.7 per cent of Government expenses, a slight increase from the previous year.

Payments for the total infrastructure program in 2006-07 are estimated to be $482 million, with some 63 per cent assigned to capital projects and $179 million for repairs and maintenance and infrastructure-related activities. Also, the Territory’s commitments to the waterfront will see expenditure of around $100 million in 2006-07.

**Fiscal Strategy**

The *Fiscal Integrity and Transparency Act* (FITA) requires the Treasurer to deliver a fiscal strategy statement at the time of each Budget which specifies the Government’s medium-term fiscal objectives and key fiscal indicators (see adjacent box).

With respect to **sustainable service provision**, the net operating balance, although in deficit through 2007-08 and 2008-09, largely due to increased superannuation expenses following actuarial reassessment in 2005, shows a positive trend, with a small surplus projected for 2009-10.

The fiscal balance (capital and operating transactions, excluding depreciation) shows the effect of the Territory’s investment in the Darwin Waterfront Development in 2005-06 through to 2007-08. However, the improving trend indicates that the targets of both an operating and fiscal balance by 2012-13 will be achieved.

**Infrastructure investment** including the Darwin Waterfront Development and capital grants to non government organisations is set to peak in 2005-06 through to 2007-08, before it is forecast to return to more historic levels from 2008-09.

The Territory continues to provide a **competitive tax environment** for all Territorians. For both the per capita and total taxation effort (including royalties and public user charges measures), as assessed by the Commonwealth Grants Commission in its 2006 Update, the Territory remains the second lowest taxing jurisdiction.

In the **prudent management of liabilities**, net debt plus employee liabilities as a proportion of revenue is forecast to decline to 111 per cent by 2009-10. This is despite the significant increase in unfunded superannuation liabilities following actuarial reassessment in 2005.
Industry Investment

The Government continues to invest in Territory sectors through infrastructure support, promotion and other facilitation services.

- Capital investment of $74.5 million in roads and other transport infrastructure including major works on the Victoria Highway across the flood plain, local roads, national highways, rural and urban arterial roads and beef roads.
- Works in the Port of Darwin, at East Arm Wharf, East Arm Development Area and at Fishermans Wharf.
- Defence Support Hub and Industrial Park land released for development, opposite Robertson Barracks, for local businesses to participate in defence-related work.

Tourism
The Government’s investment in the tourism industry continues into 2006-07 as the Investing in the Future of the Territory initiative is established as an ongoing program with additional funding of $10 million a year. Domestic and international marketing activities will total over $27 million and development of tourism infrastructure and products is funded with almost $11 million in 2006-07.

Mining and Energy
$6.9 million is allocated in 2006-07 to provide high-quality geological information to promote and enhance the mineral and petroleum prospectivity of the Territory as part of Building the Territory’s Resource Base. A further $2.8 million is allocated to granting and maintaining mineral and petroleum titles, facilitating exploration and development of the Territory’s resources.

Primary Industry
In addition to significant resources allocated to supporting the Territory’s pastoral, agricultural, horticultural and aquacultural industries, $0.64 million over two years will develop and implement the National Livestock Identification System for Territory cattle.

$1.5 million will be used to investigate, analyse and assess the surface and groundwater capacity to support investment in agriculture, mining, tourism and infrastructure and a further $2.7 million will enable drilling and testing of production bores to prove water supplies for regional investment.

$0.15 million for a biosecurity system, will coordinate preparedness and responses to incursions of plant and animal pests and diseases.

Indigenous Communities
$1.1 million will continue to fund the Indigenous Arts Strategy (2006–2008) to support development of the industry.

$2.9 million will support Indigenous economic development strategies across the Territory.

$54.2 million will provide essential services and infrastructure in remote communities including power, water, sewerage, aerodrome and barge landings.