

The Hon Eva Lawler MLA
Chief Minister
GPO Box 3146
Darwin NT 0801

Dear Chief Minister

Re: Assessment of Labor Party 2024 Election Commitments

The Department of Treasury and Finance has assessed the election commitments of the Labor Party as provided to me on 16 August 2024, and have concluded that the estimated costings appear reasonable with no items requiring further clarification.

Table 1 sets out the cost of the Labor Party election commitments and their potential impact on the 2024-25 budget and forward estimates. It shows that the proposed election commitments are estimated to cost a total of \$220 million across the budget cycle to 2027-28.

Table 1: Labor Party Election Commitments

	2024-25	2025-26	2026-27	2027-28	Cumulative
	\$M	\$M	\$M	\$M	\$M
Operating commitments	52	47	69	70	238
Savings measures/reprioritisation	- 7	- 2	- 2	- 2	- 13
Revenue measures		- 1	- 2	- 2	- 5
Capital commitments	7	10	9	7	33
Less: Existing capital funding	- 7	- 10	- 9	- 7	- 33
Net cost	45	44	64	66	220

In relation to capital commitments totalling \$33 million, I have assumed that these projects will be funded from within existing capital works funding, consistent with usual practice, and therefore have deducted the cost of these commitments.

Table 2 outlines the estimated effect of election commitments on the Territory's key fiscal aggregates, and shows budgeted fiscal aggregates would be projected to worsen when compared to the 2024 Pre-Election Fiscal Outlook (PEFO).

Table 2: Impact of election commitments on budget aggregates

	2024-25	2025-26	2026-27	2027-28
	\$M	\$M	\$M	\$M
2024 PEFO Net operating balance	- 415	35	35	219
Net cost of commitments	- 45	- 44	- 64	- 66
Potential net operating balance	- 461	- 10	- 30	153
2024 PEFO Fiscal balance	- 1 746	- 696	- 519	- 187
Net cost of commitments	- 45	- 44	- 64	- 66
Potential fiscal balance	- 1 792	- 740	- 583	- 253
2024 PEFO Net debt	10 821	11 603	12 125	12 255
Net cost of commitments	45	90	154	220
Potential net debt	10 866	11 692	12 279	12 475

As outlined in Table 2 above, the Territory's potential net operating balance is estimated to worsen to a deficit position in 2025-26 and 2026-27, before returning to surplus from 2027-28, two years later than projected in the 2024 PEFO.

Consistent with the 2024 PEFO, the potential fiscal balance is expected to remain in deficit across the budget cycle, but \$220 million higher in aggregate over the period. Similarly, net debt would be projected to worsen by a total of \$220 million by 2027-28.

As previously advised, a copy of this letter will be made publicly available on the Department of Treasury and Finance website by 10am Thursday 22 August 2024.

Yours sincerely


 CRAIG GRAHAM
 Under Treasurer

25 August 2024