

# BUDGET OVERVIEW

## Acknowledgements

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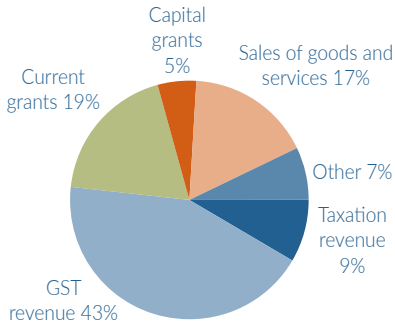
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### REVENUE

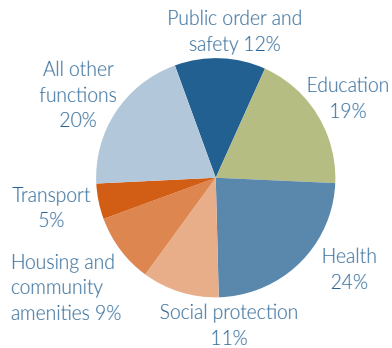
Territory revenue is expected to be \$6.3 billion for the non financial public sector in 2018-19.



Source: Department of Treasury and Finance

### EXPENSES

In 2018-19, Territory operating expenses for the non financial public sector are estimated to be \$6.9 billion. The key functions of health, education, and public order and safety comprise 55 per cent of total expenses and are consistent with the 2017-18 estimate.



Source: Department of Treasury and Finance

### TOTAL INFRASTRUCTURE PAYMENTS

	2018-19	
	Program	Cash
	\$M	\$M
<b>Budget sector</b>		
Capital works	1 892	863
Grants		147
Repairs and maintenance		201
Infrastructure-related		4
<b>Total</b>		<b>1 215</b>
Government owned corporations		234
<b>Total infrastructure payments</b>		<b>1 449</b>

Source: Department of Treasury and Finance

## FISCAL OUTLOOK

The 2018 Budget projections reflect a deterioration in the Territory's fiscal position and outlook compared to the previous budget.

- Updated fiscal projections include:
  - a general government operating deficit of \$603 million in 2018-19 and forecast deficits averaging \$921 million per annum over the forward estimates
  - a non financial public sector fiscal balance deficit of \$1.2 billion in 2018-19 and averaging around \$1.1 billion per annum across all years
  - additional budget repair and savings measures totalling \$234 million across the budget cycle, bringing total cumulative savings measures since the 2016 Pre-Election Fiscal Outlook (PEFO) to \$828 million
  - infrastructure investment of \$1.45 billion in 2018-19 to support economic activity and development, and employment
  - operating deficits combined with infrastructure investment estimated to increase net debt to \$7.5 billion by 2021-22
  - the net debt to revenue ratio to increase over the forward estimates period, to 119 per cent in 2021-22 compared to 72 per cent in 2018-19.

#### Key fiscal aggregates

	2017-18	2018-19	2019-20	2020-21	2021-22
	Estimate	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
<b>General government sector</b>					
Net operating balance	- 541	- 603	- 920	- 922	- 922
<b>Non financial public sector</b>					
Fiscal balance	- 984	- 1 214	- 1 134	- 1 102	- 1 068
Net debt	3 313	4 485	5 547	6 550	7 543
Net debt to revenue (%)	51	72	91	106	119

Source: Department of Treasury and Finance

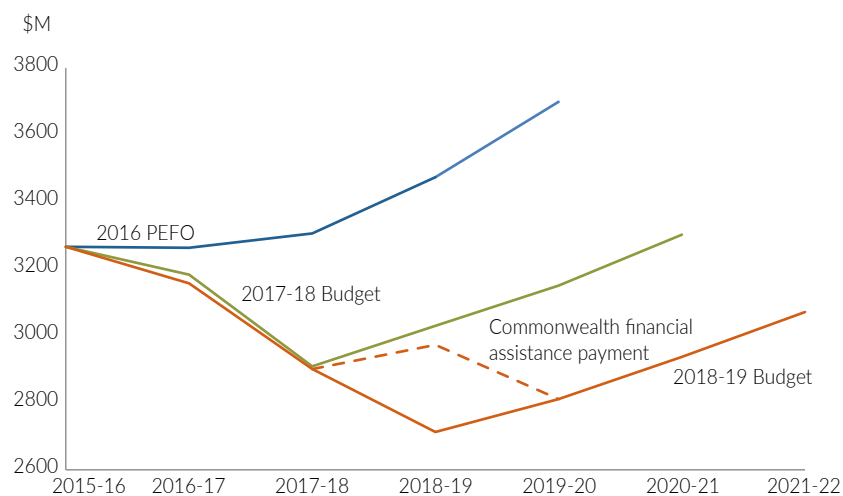
### GST revenue

GST revenue is the largest single fiscal transfer from the Commonwealth, representing 43 per cent of the Territory's total revenue.

In 2018-19 the Territory's estimated GST revenue will decline by \$317 million compared to 2017-18 Budget estimates and by \$761 million compared to the 2016 PEFO, driven primarily by significant reductions in the Territory's GST relativity (5.28 in 2016-17 down to 4.66 in 2017-18 and 4.26 in 2018-19). The reductions in GST estimates flow through to all forward years, resulting in an overall decline in GST revenue of \$1.4 billion over the budget cycle compared to the 2017-18 Budget and around \$3.4 billion compared to the 2016 PEFO. In real terms, GST revenue is not expected to return to 2016-17 levels over the budget cycle.

In recognition of the Territory's loss of GST revenue, the Commonwealth will provide a one-off financial assistance payment of \$259.6 million for 2018-19. The Territory Government is continuing negotiations with the Commonwealth for ongoing funding to supplement the Territory's GST relativity reduction. Should ongoing financial support be secured, the Territory's fiscal aggregates will improve over the forward estimates.

## GST revenue estimates since August 2016



Source: Department of Treasury and Finance

If not for the GST reductions over the last two budgets, it is estimated that operating surpluses would have been achievable from 2020-21 and a small fiscal balance deficit at the non financial public sector in 2021-22. Net debt to revenue ratios would also have been largely constant over the budget cycle and less than half the ratios now projected.

## Budget repair and savings measures

The 2018 Budget contains a number of additional budget repair and savings measures totalling \$234 million.

These measures include:

- a reduction in the Territory public service wages policy from 2.5 per cent to 2 per cent for future enterprise agreements
- a reduction in operational budget indexation for government departments to reflect lower observed growth in the consumer price index (CPI)
- implementing a targeted voluntary redundancy program across government
- additional expenditure efficiencies from Territory Generation
- reviewing government grant arrangements to ensure value for money
- reducing repairs and maintenance expenditure following recent large stimulus programs.

These measures, combined with those incorporated in the 2017-18 Budget, bring total cumulative savings measures to \$828 million since the 2016 PEFO.

## Savings measures since 2016 PEFO

	2017-18	2018-19	2019-20	2020-21	2021-22	
	Estimate	Budget	Forward estimate			Cumulative
	\$M	\$M	\$M	\$M	\$M	\$M
2017-18 Budget	74	113	127	140	140	594
2018-19 Budget		41	53	64	77	234
<b>Total</b>	<b>74</b>	<b>154</b>	<b>180</b>	<b>204</b>	<b>216</b>	<b>828</b>

Source: Department of Treasury and Finance

## REVENUE MEASURES

The 2018-19 Budget includes revenue policy changes that will generate net additional revenues of \$2 million in 2019-20, rising to \$16 million per annum by 2021-22 including:

- a local employment package comprising:
  - a payroll tax exemption for Territory resident employees hired before 30 June 2020 who either increase the number of local employees of the business or replace a former interstate employee of the business
  - changes to the mineral royalty scheme to allow mining companies to deduct the costs of providing accommodation for Territory employees and remove a royalty deduction for travel and ancillary costs for interstate-based employees
- introducing a hybrid royalty scheme from 1 July 2019 that requires mining companies to pay a minimum royalty based on the gross value of mineral production at a rate of 1 per cent in a mine's first mineral royalty year, 2 per cent in the second year and 2.5 per cent per annum ongoing
- a derelict building and vacant property levy, commencing 1 July 2019, on unoccupied commercial land in the Darwin central business district (CBD), at a rate of 1 per cent of unimproved capital value for buildings that are 50 per cent or more vacant and 2 per cent for undeveloped vacant land
- amendments to the *Revenue Units Act* from 1 July 2018, which is used to calculate most government fees and charges, so they increase each year by the higher of 3 per cent or CPI
- removing the stamp duty exemption on the transfer of petroleum and pipeline interests
- deferring community gaming machine tax increases on hotels that were due to commence 1 July 2018.

## ONSHORE GAS

On 17 April 2018, the Territory Government announced it accepted all 135 recommendations from the Scientific Inquiry into Hydraulic Fracturing in the Northern Territory and would lift the hydraulic fracturing moratorium, with strict regulatory controls to be put in place.

Economic modelling by ACIL Allen Consulting, commissioned by the scientific inquiry, reported there are likely to be significant economic benefits to the Territory and Australian economies from hydraulic fracturing as well as increases in taxation revenue.

Local communities are expected to benefit from hydraulic fracturing through supporting infrastructure and service demand, with larger regional centres and cities in the Territory benefiting through demand for support services for the onshore gas sector.

Lifting the moratorium also provides the impetus for new industry to develop in the Territory with potential for associated manufacturing, exports and national energy supply.

## DEFENCE

Defence continues to be a significant contributor to the Territory economy, playing a major role in investment and job creation. Investment of \$20 billion in defence infrastructure is planned over the next 20 years, which will provide employment opportunities and stimulus to local businesses.

The 2016 Defence White Paper highlighted the Territory's importance to Australia's defence and security. Projects identified in the White Paper are reaching the commencement stage and will be factored into the forecasts upon final investment decision.

# ECONOMIC OUTLOOK

## Territory key economic indicators (%)

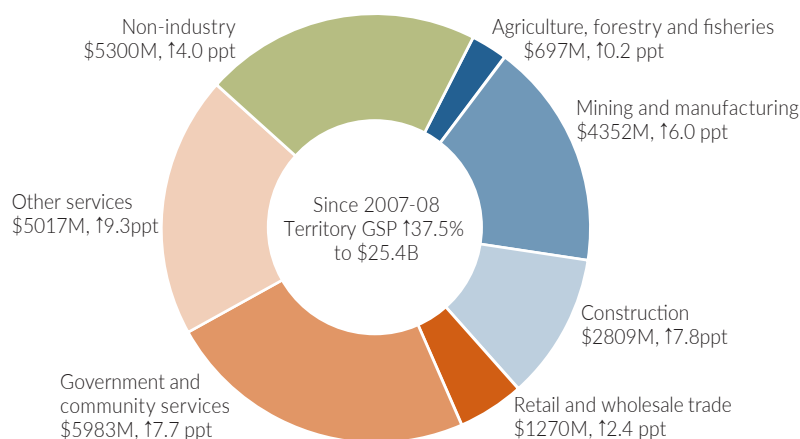
	2016-17a	2017-18e	2018-19f	2019-20f	2020-21f	2021-22f
Gross state product	4.0	2.6	2.1	- 0.4	2.6	2.8
State final demand	8.2	0.1	- 8.0	- 4.4	2.0	2.8
Population	0.3	0.0	- 0.7	0.6	1.0	1.1
Employment	2.5	- 2.0	- 0.5	0.3	0.9	1.0
Unemployment rate	3.4	4.3	4.9	4.5	4.3	4.0
Consumer price index	0.1	0.5	1.0	1.7	1.9	2.3
Wage price index	2.1	1.8	1.7	1.8	2.0	2.1

a: actual; e: estimate; f: forecast

Source: Department of Treasury and Finance, Australian Bureau of Statistics

The Territory economy has grown considerably over the last decade, supported by a number of major projects and investment. Gross state product has grown by 37.5 per cent from \$18.5 billion in 2007-08 to \$25.4 billion in 2016-17 (chart below), and population has increased by about 28 000 (12.9 per cent) to over 246 000 people.

## Industry contributions 2016-17, growth since 2007-08



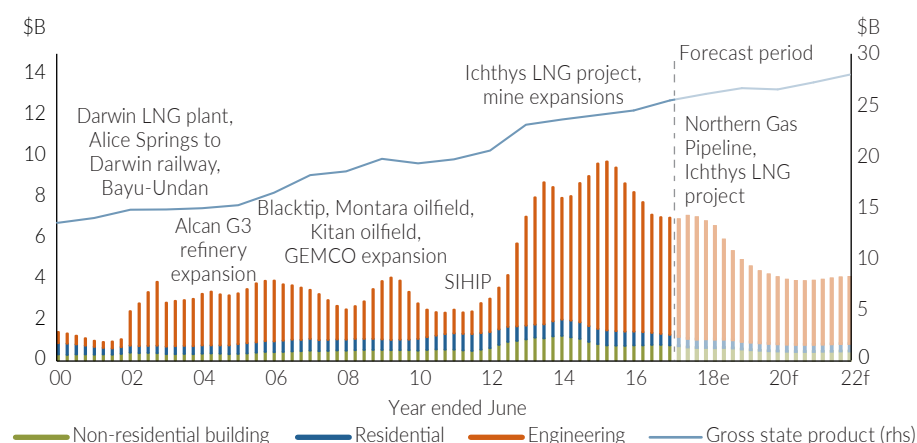
Source: Department of Treasury and Finance, Australian Bureau of Statistics

Over 2018-19 and 2019-20, the Territory economy will face challenging conditions, following a sustained period of record growth associated with the construction of the Ichthys liquefied natural gas (LNG) project.

Economic growth is estimated to remain reasonably strong over 2017-18 and 2018-19, before declining in 2019-20, largely reflecting declines in business investment. Economic growth in the outer years is likely to be supported by net exports, as well as moderate growth in consumption from both households and public sectors. State final demand is expected to contract over the forecast period as, unlike headline economic growth, it will not benefit from the boost in exports from 2018-19 onwards. Other key economic indicators such as population, employment, unemployment, CPI and wage price index largely follow on from the economic growth story. All indicators are forecast to remain subdued or in some cases decline in the next couple of years, before gradually strengthening again over the outlook period.

The relative decline in the construction sector's contribution to the Territory economy following the Ichthys transition to production is expected to be offset by increases in the contribution from other key industries including tourism, health and education services, public administration, agriculture and defence.

## Economic growth and construction work done in the Territory



e: estimate; f: forecast; SIHIP: Strategic Indigenous Housing and Infrastructure Program  
Source: Department of Treasury and Finance, Australian Bureau of Statistics

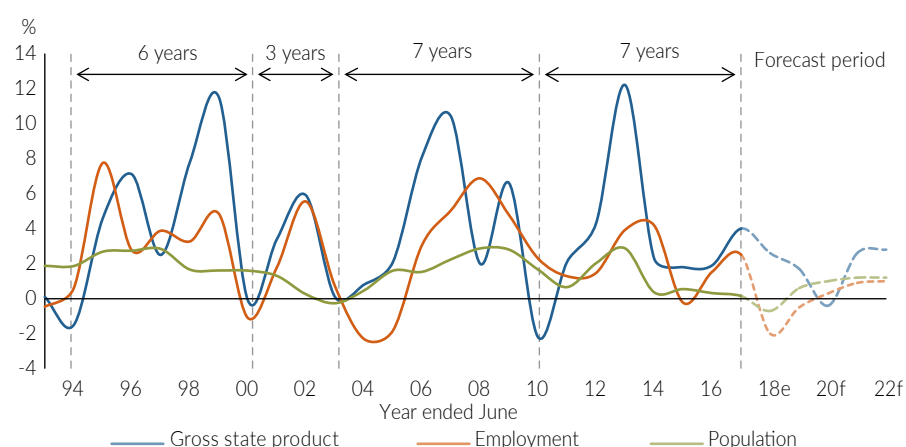
It is important to note that investment projects, including those with major project status, are not included in the forecasts unless they have reached final investment decision. If realised, these projects, as well as expansion of the onshore gas industry, have the potential to significantly improve the Territory's economic growth over the forecast period.

## Economic cycle

Economies are subject to cycles, with the frequency, magnitude and time between periods of growth often linked to an economy's size, structure, industry concentration and vulnerability to external factors such as commodity prices and exchange rates.

As a small open economy heavily reliant on resources and historically driven by major projects, the business cycle in the Territory tends to be more pronounced than in other Australian jurisdictions. Over the last 25 years, business cycles in the Territory have generally averaged six to seven years in duration, with periods of strong expansion followed by shorter periods of contraction.

## Year-on-year change in key indicators



Source: Department of Treasury and Finance, Australian Bureau of Statistics

The recent period of economic expansion, which peaked in 2012-13, was dominated by the US\$37 billion Ichthys LNG project, which had an unprecedented effect on the Territory economy. The Territory is currently experiencing a downturn in the business cycle, reflected in moderating growth across a number of key economic indicators. Despite the current challenges, the Territory economy is expected to be over 50 per cent larger by 2021-22 than it was 10 years ago.

## ECONOMIC DEVELOPMENT FRAMEWORK

The Territory Government's Economic Development Framework (EDF) focuses on economic opportunities for all Territorians, with policies that support economic growth and investment strategies to build a strong economy.

The long-term strategy of the EDF identifies existing strengths in a range of sectors including agribusiness, energy, minerals, tourism and defence, and emerging sectors that present significant opportunities, such as environmental services, human service delivery, tropical health, renewable energy and marine maintenance.

Key EDF projects under way or completed include the Regulation Reform Agenda, Population Strategy, priority development zones, regional economic development plans and priority projects, industry development strategies, and revitalising city areas.

## POPULATION STRATEGY

The Territory's Population Strategy aims to improve population growth by focusing on key measures that will attract and retain targeted population groups including:

- generating investment and creating jobs
- enhancing liveability
- moderating the cost of living and business costs.

Charles Darwin University (CDU) assisted in developing the strategy, synthesising past population research and strategies. CDU will undertake ongoing research to understand population trends and decision drivers to inform future initiatives.

## LOCAL EMPLOYMENT PACKAGE

The 2018 Budget provides incentives to business to employ Territory residents by:

- introducing a two-year payroll tax rebate for Territory businesses that either:
  - employ a new employee who lives and works in the Territory, increasing the number of Territory employees
  - or replace an existing employee who was not previously resident in the Territory with a person who becomes or is a Territory resident and works in the Territory
- providing a new royalty deduction for the cost of buying, renting or building accommodation in the Territory for employees who live in the Territory
- providing a new royalty deduction for the cost of building infrastructure that provides economic or social benefits to Territory communities near to and affected by a mine's operations
- ceasing royalty deductions for FIFO-related travel and ancillary costs for employees who do not live in the Territory.

## MORE JOBS

The 2018 Budget supports a range of initiatives to create more jobs for Territorians, including maintaining the buy-local focus and investing in economic enabling infrastructure across the Territory.

### Investing in infrastructure

The 2018 Budget includes infrastructure payments of \$1.45 billion in 2018-19 to generate jobs, connect communities, drive economic growth and support social development. Highlights include:

- \$626.4 million to upgrade the Territory's roads, including \$76.3 million to upgrade the Arnhem Highway on the Adelaide River floodplain and \$49.4 million to upgrade the Keep River Plains Road to support Project Sea Dragon, both in partnership with the Commonwealth
- \$243.2 million for community safety including \$70 million to construct a fit-for-purpose youth justice training centre in Darwin
- \$210.4 million for economic and community infrastructure with \$66 million to progress the City Deals projects including an underground carpark in Darwin and revitalising the Alice Springs CBD
- \$182 million for lifestyle and environment works, including \$30 million to extend art galleries in Arnhem, Katherine and Tennant Creek to create a National Iconic Arts Trail
- \$136.6 million to enhance the Territory's education infrastructure including \$18.1 million to continue the redevelopment and expansion of Darwin High School and \$15.9 million for a new multipurpose hall at Darwin Middle School
- \$79.5 million for health infrastructure including \$17.3 million for various upgrades at Royal Darwin Hospital such as the positron emission tomography (PET) scanner and multistorey car park, \$8.9 million to continue the refurbishment and expansion of the Nightcliff renal facility from 28 to 32 chairs and \$1.2 million for renal-ready rooms in remote communities.

The 2018 Budget also includes a significant investment in housing with a focus on supporting jobs and training in remote communities.





# MORE PEOPLE

The 2018 Budget supports sustained population growth in the Territory through initiatives to attract more people to move to the Territory and retain those who already live here, and undertaking research to understand the drivers of interstate and international migration.

## Growing the Territory's population

The 2018 Budget provides \$7.9 million over four years for the Territory Government's Population Strategy and to complement the Northern Territory EDF. Key components include:

- developing the Territory Alumni Strategy to engage with people who have left the Territory through news and marketing to encourage their return to the Territory, as well as communicating opportunities for their friends and relatives to travel here
- attracting and retaining early career workers as well as middle and late career workers, and retaining Territory retirees
- attracting international skilled migrants and students by marketing the Territory in key international markets, enhancing the skills recognition program and developing comprehensive welcome packages to assist their integration into our community
- targeting seasonal residents, short-term workers and visitors to become longer term Territory residents.

To better understand regional population dynamics and help make regional towns more attractive places to live, work and play, the Territory Government will also:

- support the Regional Australia Institute to assess drivers of regional population, economic development and transition in regional locations
- conduct ongoing research with Charles Darwin University (CDU) into the drivers and attitudes of population change, including what attracts and keeps people living in Darwin and regional locations
- establish a web portal and mobile application to market opportunities for professional networks, strengthening business connections and sharing information about employment opportunities.

## Attracting investment

The 2018 Budget promotes the Territory and attracts investment by providing:

- \$2.4 million over the next two years to attract new major private investment projects to the Territory
- \$2.2 million in 2017-18 to create the Northern Territory masterbrand to promote the Territory nationally and internationally as an attractive place to live, work, invest, study, visit and do business
- \$1.9 million over four years for Team NT to deliver a coordinated approach to marketing and engagement across government and business for trade, investment and economic development
- \$0.93 million to progress environmental approvals for major projects in a more timely manner
- \$0.4 million to facilitate major agribusiness projects including the development of regional agricultural precincts and the Katherine agribusiness and logistics hub.

## INVESTING IN RESOURCES

The 2018 Budget includes \$26 million over four years for the new Resourcing the Territory program, which focuses on stimulating resource exploration and investment through:

- providing incentives for selected industry exploration programs in underexplored areas, which will fund 50 per cent (up to \$135 000) to provide an immediate stimulus to greenfields exploration using local drilling companies
- developing critical geoscience information to encourage exploration investment and highlight mineral and petroleum potential in new areas
- promoting the Territory's resource potential and attracting investment into Territory exploration and development projects
- developing an online database of exploration drillholes and geochemical assay results of the past 120 years
- assessing resource potential and stimulating exploration in the Tennant Creek region to support the development of Tennant Creek as a mining hub.

The Territory Government has also lifted the moratorium on hydraulic fracturing in the Territory, accepting all 135 recommendations of the final report from the Independent Scientific Inquiry into Hydraulic Fracturing.

The 2018 Budget provides \$5.33 million over three years to implement the recommendations and lay the foundations to attract investment, create local jobs and deliver economic growth, while ensuring the Territory's natural environment is protected.

## EARLY CHILDHOOD DEVELOPMENT

The 2018 Budget invests in the government's 10-year early childhood development plan, which aims to strengthen families, build vibrant resilient communities and improve the health, wellbeing and educational outcomes of children and young people.

The 2018 Budget commits \$35.6 million over four years, starting with \$5.6 million in 2018-19 and increasing to \$10 million from 2019-20 to deliver the plan, which includes:

- expanding the Healthy Under 5 Kids Partnering with Families Program, a child and family health program, to Tennant Creek, Katherine, Nhulunbuy and Central Australian remote clinics
- establishing four additional Hearing Health Partnership locations integrated with Families as First Teachers sites to promote good ear health, hygiene, language and learning behaviours
- establishing a daily early childhood development, learning and parent capacity program for children aged zero to four and their parents in seven new sites in 2018-19, and expanding to 14 sites in 2019-20
- promoting accountable leadership by establishing an independent Ministerial Advisory Council for Children and Young People
- establishing a network of 17 child and family centres by 2022-23, including 11 new centres over the next five years
- delivering targeted early childhood services through the child and family centres.

## BRIGHTER FUTURE

The 2018 Budget invests for a brighter future and supports the commitment to place children at the heart of government through investment in early childhood, education, health, housing and local decision making.

### Education and training

Investing in children and their education creates a better future for all Territorians. The 2018 Budget invests \$1.23 billion in education and training across the Territory including:

- \$506 million to deliver the best possible education for our students by ensuring schools are properly resourced
- \$50.5 million to improve Aboriginal student outcomes through the Indigenous Education Strategy, aimed at delivering clear and effective programs proven to make a difference for Aboriginal students
- \$39.15 million over four years to implement a new school resourcing model that provides schools with fairer and clearer funding and increased support, in response to the recommendations of the independent review of global school budgets
- \$14.1 million for the Building Better Schools initiative, which will provide \$300 000 per school to a further 45 schools in 2018-19 to refurbish and upgrade their facilities under round 2 of the initiative
- \$8 million to continue early intervention services that tackle challenging behaviours, and support students with additional needs and mental health issues to maximise their development and learning
- \$7 million to provide nationally accredited vocational education and training (VET), and support for employment pathways in schools to provide students with skills and knowledge for future career paths
- \$2.1 million to continue to improve educational services for young people in detention to enhance their prospects for engagement and rehabilitation.

The 2018 Budget includes \$101.1 million for Workforce NT to administer the VET system, to ensure the skill requirements of the Territory economy are met through responsive programs and systems aligned to the needs of Territory employers, industries and workers, and to assist Territory employers through workforce growth and skilled migration initiatives.







## Healthy Territorians

Effective and accessible health services are important for all Territorians. The 2018 Budget invests \$1.56 billion to continue to provide safe, high quality and sustainable health services to meet the current and projected future needs of Territorians through:

- \$35.32 million over five years from 2018-19 to expand access to cancer services by establishing the PET scanner service, cyclotron and radiopharmacy facility, and expanding chemotherapy and related services
- \$22.8 million to support the operation of the new Palmerston Regional Hospital to provide a modern and contemporary health facility
- \$15.5 million to provide assessment, withdrawal and specialised alcohol treatment services to assist people with alcohol misuse issues and dependence, associated with the reintroduction of the banned drinker register
- \$2 million to support the delivery of the Sustained Nurse Home Visiting for Vulnerable Families program to create safe and supportive environments for children
- \$1.2 million to expand the range of maternity services (excluding birthing) from the commencement of Palmerston Regional Hospital, to enable effective and clinically safe responses to complications associated with birthing.

## Youth justice and child protection reforms

The Government's response to the findings and recommendations of the Royal Commission into the Protection and Detention of Children in the Northern Territory supports a coordinated effort to make effective, meaningful and generational change to our youth justice and child protection systems.

The 2018 Budget provides \$229.6 million over five years to reform the Territory's child protection and youth justice system in response to the Royal Commission.

## CHILDCARE SUBSIDY

The 2018 Budget includes \$6 million to continue the early childhood services subsidy to assist parents and families by reducing child care costs.

The early childhood services subsidy is paid directly to child care providers to help with the cost of services and to reduce the cost of child care for parents.

The subsidy has two flat rates:

- \$30 per equivalent full-time place, per week for children under two years of age
- \$22 per equivalent full-time place, per week for children two to five years of age.

The following regulated services are eligible to receive the subsidy:

- long day care
- family day care
- three-year-old kindergarten.

### REMOTE HOUSING INVESTMENT

The 2018 Budget continues to implement the Territory Government's 10-year \$1.1 billion Remote Housing Investment Package to improve housing, create jobs and restore local decision making in remote communities. In 2018-19, this includes:

- \$96.9 million to build new, fit-for-purpose homes
- \$36.9 million to ease overcrowding by constructing new living spaces for existing homes
- \$20 million for remote public housing repairs and maintenance
- \$17.4 million to provide new housing for locally-recruited government employees.

The Commonwealth has also committed \$550 million over five years, including \$110 million in 2018-19, to further improve remote Indigenous housing.

The 2018 Budget also provides for improved remote housing and community amenity through:

- \$63.5 million to prepare land and establish utilities infrastructure in remote communities
- \$6.1 million to deliver the Homelands Extra Allowance program
- \$5 million to upgrade essential services infrastructure across 72 remote communities.

### TOWN CAMPS

The 2018 Budget promotes generational change for people living in town camps through:

- \$25.5 million over two years for urgent infrastructure upgrades in town camps and to develop a sustainable model for town camps
- funding to develop an integrated whole of government town camps policy.

# INVESTING IN THE BUSH

## Building bush infrastructure

The 2018 Budget allocates \$1.89 billion to the capital works program, including a substantial investment in remote and regional areas.

Over one third of the 2018-19 capital works program is allocated toward supporting housing and related works, with a further 28.7 per cent invested in roads and transport projects. The majority of these works are in remote areas, in recognition of the significant backlog of critical infrastructure in remote regions of the Territory in comparison with other, more established, areas and jurisdictions.

In total, around 55 per cent of the 2018-19 capital works program has been allocated to new and upgraded infrastructure in remote communities across the Territory.

### 2018-19 Major capital works projects by functional category

	Capital works	
	\$M	%
Housing and related works	637.8	33.7
Roads and transport	543.8	28.7
Community safety	221.6	11.7
Economic and community infrastructure	173.3	9.2
Lifestyle and environment	158.4	8.4
Education	103.8	5.5
Health	53.1	2.8
<b>Total budget sector</b>	<b>1 891.8</b>	<b>100.0</b>

Source: Department of Treasury and Finance



## Strong local economies

The 2018 Budget underpins jobs for Territorians in remote and regional areas by investing:

- \$28.75 million for local government bodies to deliver services through the Northern Territory operational subsidy
- \$26 million over four years for increased exploration and project development in the resources sector across the Territory. This includes assessing the resource potential and stimulating exploration in the Barkly region to facilitate the development of Tennant Creek as a mining hub, and encouraging local participation through an expanded and more flexible industry grants program
- \$8.5 million for regional councils to employ Aboriginal staff
- \$5.33 million over three years to create jobs in remote areas through hydraulic fracturing while protecting the Territory's unique environment
- \$5 million to fund local government infrastructure through the Strategic Local Government Infrastructure Fund.

## Connecting communities

In partnership with the Commonwealth, the 2018 Budget delivers new road infrastructure for the bush including:

- \$9.9 million to upgrade bridges on the Tablelands Highway, improving access and reducing load restrictions on road trains
- \$5 million to seal the Central Arnhem Road between the Bulman community and the airstrip to improve road safety, community access and flood immunity
- \$2.5 million to continue sealing sections of the Tanami Road.

The 2018 Budget also delivers improved sea and air access in the bush including:

- \$6.4 million to upgrade barge landing facilities in Galiwin'ku, Ramingining, Gapuwiyak, Wadeye and Maningrida
- \$8.5 million over four years for aerodrome improvements in Elcho Island, Wadeye, Maningrida, Milingimbi, Bathurst Island and Ali Curung.

The 2018 Budget also enables more reliable telecommunication services in remote communities by investing, in partnership with Telstra, \$14 million over four years to improve mobile phone and broadband telecommunications infrastructure in 37 remote locations as part of a new Remote Telecommunications Co-investment Program. A further \$8.5 million over three years is also being invested to increase remote communications connectivity and capacity.

The 2018 Budget enhances community participation with \$3 million over five years for community programs that increase participation of women in Australian rules football and to deliver grass-roots football programs with a focus on remote areas.

## LOCAL DECISION MAKING

The 2018 Budget empowers local communities to drive their own solutions for government service delivery through:

- \$3 million to continue implementing the local decision making agenda across the Territory, including establishing direct dialogue with Aboriginal communities and stakeholders, and providing high level coordination in support of community aspirations
- \$1 million to develop the capacity of community-controlled Aboriginal organisations to share in the delivery of government services.

## ECONOMIC DEVELOPMENT

The 2018 Budget supports remote economic development through:

- \$4 million in 2019-20 for headworks infrastructure and subdivision works for the Kalkarindji commercial and industrial land development
- \$3.5 million to continue subdivision works to support the release of 35 residential lots in Borroloola.





## TACKLING ALCOHOL ABUSE

The 2018 Budget establishes a coordinated and evidence-based approach to stop alcohol-fuelled violence, underpinned by the recommendations of the Riley Review, including reforms to:

- reintroduce the Liquor Commission
- establish a community impact test for significant liquor licensing decisions
- introduce a minimum floor price of \$1.30 per standard drink for all alcoholic beverages.

The 2018 Budget includes the establishment of a new alcohol policing support unit that aims to restrict the supply of alcohol to at-risk individuals with an additional \$11.82 million in 2018-19 and \$12.82 million ongoing from 2019-20 to deliver:

- 75 community safety officers to provide a permanent presence at all takeaway liquor outlets in Alice Springs, Katherine and Tennant Creek
- 12 police officers to focus on secondary supply issues in Darwin and Palmerston, as well as supporting the new unit
- 10 operational support staff, including three additional police prosecutors to focus on compliance activities.

The 2018 Budget also invests \$2.5 million for 10 additional mobile closed-circuit television (CCTV) units to be used outside takeaway liquor outlets or other areas as required.

The Territory Government is creating the necessary legislation to adequately equip police to minimise alcohol-related harm including:

- empowering community safety officers to undertake point-of-sale intervention duties and manage the regulatory enforcement of licensed venues
- enabling police to initiate complaints regarding the impact of a liquor licence or licence conditions on public safety or amenity and to initiate action on alleged breaches of the *Liquor Act* or licence conditions.

## SAFER COMMUNITIES

The 2018 Budget provides \$1.57 billion to support law and order and every Territorian's right to feel safe and secure, and build safer communities through an overhaul of the Territory's child protection and youth justice systems.

### More police

The 2018 Budget supports a range of policing initiatives to improve community safety including:

- \$45 million in 2019-20 to revitalise Nightcliff's John Stokes Square, replacing the existing public housing complex with a contemporary mixed-use residential and commercial development including a new Nightcliff police station, new complex-needs public housing tenancies and associated specialist wraparound services
- \$28.2 million to fast-track the construction of the 24-hour Palmerston police station to ease the burden on other facilities in the area, with construction due to start in May 2018. The station will include a watch house, regional emergency operations centre and a community hall
- \$10 million in 2018-19, increasing to \$15.8 million from 2019-20, to fulfill Government's election commitment to recruit 120 additional police
- continuing infrastructure works for the multipurpose police stations in Maningrida and Ngukurr.

### Public housing

The 2018 Budget invests to improve public housing services through:

- \$61 million for new and upgraded urban public housing
- \$0.86 million for an additional six public housing safety officers in Katherine and Tennant Creek to reduce antisocial behaviour in and around public housing
- \$0.75 million to provide access to stable accommodation for young people transitioning from out of home care as part of the recommendations of the Royal Commission into the Protection and Detention of Children in the Northern Territory.

### Bushfire resilience

The 2018 Budget invests in building community resilience to bushfire through:

- \$9.98 million, including an additional \$2 million, to support the volunteer bushfire brigade, mitigation programs, compliance activities, and improve community engagement
- \$4.5 million to construct a new Bushfires NT response centre located on the corner of Townend Road and the Stuart Highway, Livingstone, replacing aged facilities at Batchelor and Winnellie.



## Safe, thriving and connected

Reforming the Territory's child protection and youth justice systems in response to the Royal Commission into the Protection and Detention of Children in the Northern Territory's recommendations is a key component of the 2018 Budget, which supports a coordinated effort to make effective, meaningful and generational change, and provide a brighter future for our children and young people. Investment over the next five years includes:

- \$70 million to construct a fit-for-purpose youth justice training centre in Darwin
- \$66.95 million to develop and implement a new information management platform to improve coordination across services working with families and enable risks to be identified earlier
- \$22.95 million to implement a new staffing and operating model for youth detention facilities that provides a well trained workforce with more emphasis on rehabilitation
- \$18.54 million for police to work with the community to deliver improved outcomes for at-risk young people and their families
- \$12.9 million to support local communities through the Regional Youth Services Fund to provide youth programs, after hours and school holiday activities and expanded regional youth coordination services
- \$11.4 million to establish coordination hubs in the 17 child and family centres to deliver universal, targeted and tertiary services for local children and families including utilising existing services, programs and infrastructure

- \$9.89 million to keep children out of detention and improve outcomes for children and young people through participation in learning and education programs, diversion programs and bail support services
- \$8.87 million to support community-led local decision making to design and deliver local services
- \$5.7 million to establish family group conferencing to involve families in decisions relating to the care and protection of their children
- \$5.39 million to support for Aboriginal foster and kinship carers and increase the involvement of families in decisions relating to children in care
- \$5.23 million to develop a new supported accommodation service to assist young people leaving care to obtain and maintain stable housing
- \$2.77 million to establish a Clinical Practice Directorate tasked with improving child protection practice
- \$2.5 million to build an evidence base for working with families experiencing vulnerability in the Territory and embed independent evaluation into the reform program
- \$1.4 million to engage with stakeholders and plan and manage the design and delivery of youth justice infrastructure
- \$1.2 million to establish a dedicated Youth and Children's Court in Alice Springs.

These initiatives will complement reforms introduced in the 2017 Budget to keep young people out of detention and away from the broader youth justice system, including \$18.2 million for youth outreach and re-engagement teams, supported bail accommodation, and other youth diversion programs.





### REVITALISING OUR CITIES AND TOWNS

The 2018 Budget provides \$66 million to revitalise the CBDs of Darwin and Alice Springs, including:

- \$31.1 million to construct an underground carpark in State Square
- \$19.8 million to rejuvenate the Alice Springs town centre, including an adventure splash park, heat mitigation initiatives, and safety and security projects
- \$15.1 million to activate and renew the Darwin CBD through the redevelopment of State Square and greening and shading significant pedestrian connections
- heat mitigation trials in Cavenagh Street, including a 55 metre vine-covered shade structure and surface treatments
- strategic activation of laneways and small streets, with Austin Lane to be developed first.

Over the next three years other key projects include:

- redeveloping State Square, including building a new fine art gallery, public picnic areas and gathering spaces, and demolishing the Chan Building
- relocating the bus terminal
- refurbishing the old Reserve Bank building.

### RECREATIONAL FISHING

The 2018 Budget promotes recreational fishing in the Territory and improves recreational fishing facilities for Territorians and tourists through:

- \$15.2 million to improve infrastructure for recreational fishers as part of the \$50 million five-year recreational fishing infrastructure package
- \$1.5 million to deliver a range of recreational fishing projects.

## TOURISM AND LIFESTYLE

The 2018 Budget promotes the Territory as an exciting place to live, work and visit through investments in key tourism infrastructure and revitalising our city centres.

### Turbocharging tourism

The 2018 Budget invests in the Territory's tourism industry to attract more visitors and ensure the Territory is seen as a world-class tourism destination. The 2018 Budget includes \$103.6 million over two years from 2017-18 to deliver the Turbocharging Tourism stimulus package.

The stimulus package includes \$26.6 million to boost marketing and promotion, \$24.5 million to enhance festivals, events and other experiences, and \$52.5 million for tourism infrastructure to create more memorable experiences for locals and visitors by establishing new attractions, including:

- \$11.9 million to build a new adventure cycling track linking the Alice Springs Desert Park to Glen Helen in West MacDonnell National Park
- \$11.3 million to open a new adventure hub in the East Reynolds area of Litchfield National Park for a range of sporting, recreation and outdoor activities, including abseiling, mountain biking, zip-lining and mountain climbing
- \$9.8 million to improve facilities and establish a new multipurpose visitor and event centre at the George Brown Darwin Botanic Gardens
- \$5.6 million to construct a five-day walking track in Central Australia
- \$5.5 million to upgrade facilities and signage and provide new mining displays in Tennant Creek
- \$5.4 million to establish new 52 kilometre multi-day walking trails linking Nitmiluk to a new Manyallaluk mountain bike trail network
- \$3 million to boost the West MacDonnell region's cornerstone attraction, the Hermannsburg historical precinct in Central Australia, as part of a Five Point Visitor Experience Action Plan to maximise tourism opportunities in the region, create jobs and support business.



## Cost of living

The 2018 Budget continues to put downward pressure on the cost of living in the Territory through:

- \$40 million, including an additional \$7.2 million, to deliver the new Northern Territory Concession Scheme and Seniors Recognition Scheme including:
  - concessions for electricity, water, sewerage, property rates, motor vehicle registration, drivers licences and spectacles (Northern Territory Concession Scheme)
  - a \$500 concession per year for utilities and or travel (Seniors Recognition Scheme).
- continuing the Back to School payment scheme, which provides a \$150 voucher for educational goods and services for each child enrolled in a government or non-government school or preschool in the Territory
- continuing the early childhood services subsidy for long day care, three-year-old kindergarten and family day care.

## Sports and sporting facilities

The 2018 Budget encourages Territorians to engage in sports through sporting events and upgrades to sporting facilities across the Territory, including:

- \$8.5 million over five years from 2018-19 to bring two AFL premiership games each year to the Territory, one in Darwin and one in Alice Springs
- \$8.5 million for motorsports, including \$6.5 million to upgrade motorsports infrastructure across the Territory and \$2 million for Motorsports NT
- \$5 million to continue delivering the remote sporting infrastructure program
- \$3.5 million to continue delivering the urban and regional oval lights program
- \$3 million over five years from 2018-19 to deliver more Australian rules football community participation programs with a focus on programs in remote communities and pathways for women
- \$1 million to deliver National Rugby League games in the Territory
- continuing the sports voucher scheme.

## Arts and culture

The 2018 Budget invests in the Territory's arts and cultural sector through:

- \$7.87 million in operational funding to the Museum and Art Gallery of the Northern Territory
- \$2 million for infrastructure upgrades to community art galleries and to provide professional development opportunities for artists and art workers
- \$0.54 million to continue delivering the Alcoota Megafauna Fossil Exhibition in Alice Springs.

The 2018 Budget also continues to deliver Government's \$100 million National Iconic Arts Trail initiative including:

- \$30 million to progress extensions to art galleries in Arnhem, Katherine and Tennant Creek
- \$2 million to support upgrades to arts and cultural facilities in key areas through the Arts Trail Regional Stimulus Grant program.

## ARAFURA GAMES

The 2018 Budget provides \$3.51 million to bring back the Arafura Games. The return of the Arafura Games will deliver a great community experience for Territorians of all ages, create opportunities to showcase the Territory's unique lifestyle and culture, and foster international relationships through sporting connections.

The biennial international sporting event will be held from 27 April to 4 May 2019, attracting participants from across the Asia-Pacific region, competing in 15 different sports.

## TERRITORY EVENTS

The 2018 Budget delivers the third annual instalment of Parrtjima – A Festival in Light. Parrtjima celebrates Central Australian Aboriginal art and culture and will be held over 10 days in late 2018 in Alice Springs.

The 2018 Budget also invests \$0.85 million to mark the centenary of the 1919 Great Air Race.

A number of events will be held throughout the world in the lead up to the 2019 centenary race, which will re-enact the London to Darwin Great Air Race.



### GOVERNMENT TRANSPARENCY

#### Inquiry into political donations

The Territory Government has established an Inquiry into Political Donations and appointed the Honourable Justice John Mansfield AM as the Commissioner.

The inquiry will consider a range of potential reforms including capping campaign expenditure, full or partial public funding of campaigns and capping donations. The inquiry will also assess whether there have been any breaches of the *Electoral Act* in relation to political donations over the last 10 years.

#### Independent electoral commission

The 2018 Budget provides an additional \$0.35 million to support the operations of the Northern Territory Electoral Commission to continue to provide independent, impartial, high quality and accessible electoral services.

#### Commission for children and young people

In response to the recommendations of the Royal Commission into the Protection and Detention of Children in the Northern Territory, the Territory Government is delivering a major overhaul of the youth justice and child protection systems to restore confidence and promote accountable, efficient and effective service delivery.

To strengthen the independent oversight of the youth justice and child protection systems, the 2018 Budget provides \$2.48 million over five years to expand the Commission for Children and Young People, including additional powers and functions.

#### Open data

The 2018 Budget includes \$1.72 million to establish an open data portal to provide access to non-sensitive information and data gathered and held by government. This will support digital innovation and promote transparency by making government data more accessible.

## RESTORING TRUST

The 2018 Budget supports a range of initiatives to promote open and accountable government.

### Independent Commissioner Against Corruption

The 2018 Budget provides \$3 million to establish an Independent Commissioner Against Corruption (ICAC) to investigate government corruption, and promote government integrity and transparency.

In February 2018, the Territory Parliament passed the Independent Commissioner Against Corruption (Consequential and Related Amendments) Bill, creating tough new penalties for corruption and granting important investigatory powers to the ICAC.

The new anti-corruption watchdog for the Territory has a wide remit but will focus on addressing the most serious corruption in the Territory's public sector. The ICAC is expected to be operational by July 2018.

### Evidence-based decision making

The 2018 Budget supports evidence-based decision making through:

- \$5.33 million over three years to support the implementation of all 135 recommendations of the Independent Scientific Inquiry into Hydraulic Fracturing in the Northern Territory, including restricting hydraulic fracturing to prescribed areas, to ensure the risks from hydraulic fracturing are reduced to an acceptable level through strict new laws and regulations
- \$0.93 million for additional resources for environmental assessments and authorisations to ensure projects and developments are rigorously scrutinised in a timely manner.

### Liquor Commission

The 2018 Budget supports alcohol harm minimisation through \$0.8 million to reinstate the Liquor Commission as the independent and primary decision maker under the *Liquor Act*.

The Territory Government has also introduced a moratorium on new takeaway liquor licences and expanded the public interest test when assessing liquor licence applications.

### Shield laws

On 15 March 2018, the Territory Parliament passed new laws to protect public interest journalism and promote government transparency and accountability.

The Evidence (National Uniform Legislation) Amendment (Journalist Privilege) Bill, commonly referred to as shield law, provides that journalists can reasonably expect to protect their sources, unless the court decides those rights are outweighed by the interests of the public and of justice.

### Cyber security

The 2018 Budget protects the privacy of Territorians by investing \$1.5 million to increase government's cyber security capability through enhanced security controls, a cyber security operations centre and cyber security awareness programs, protecting citizen's information held by government.