

Ms Lia Finocchiaro MLA
Leader of the Country Liberal Party
Country Liberal Party NT
via: Opposition.leader@nt.gov.au

Dear Opposition Leader

Re: Assessment of the Budget Impact of the Country Liberal Party's 2020 Election Commitments

I have assessed the budget impact of the Country Liberal Party's 2020 election commitments.

The 2019-20 Mid-Year Report published operating and fiscal deficits across the forward estimates period. The COVID-19 Financial Report, released on 29 July 2020, showed a significant worsening in the 2020-21 fiscal outlook, resulting from the ongoing economic impact of COVID-19. These reports highlight that there is no unallocated capacity within the current budget and forward estimates to fund new policy decisions without worsening the budget outcome.

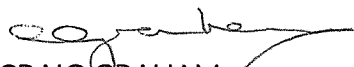
The Country Liberal Party election commitment costings identified new capital investment totalling \$27.9 million over four years and new operational policy commitments estimated at a net cost of \$45.1 million over four years. Based on the information provided, the costings provided for individual projects and policy initiatives appear reasonable.

I note that new capital projects are intended to be funded through the reprioritisation of existing projects on the capital works program. To the extent this is achieved, these projects should have no impact on the preliminary budget estimate.

Recurrent policy commitments identified in your party's costings would result in a net additional cost of \$9.3 million in 2020-21 and a further \$35.8 million from 2021-22 to 2023-24. I note that a number of these commitments are to be funded through the redirection of existing resources and therefore have not been quantified, as your intent is that they will have no material impact on the budget and forward estimates.

Your policy costings indicate that the transition from the current mining royalty regime to an ad valorem scheme for existing mines is also intended to be revenue neutral and have no material impact on forecast mining royalty revenues. This is likely to be challenging to implement and, therefore, there is an element of uncertainty regarding the budget impact of this initiative at this time.

Yours sincerely



CRAIG GRAHAM
Under Treasurer

20 August 2020