

Speech
and
Appropriation Bill

2017-18

Part 1

Speech

Delivered on

2 May 2017

by

The Hon. Nicole Susan Manison, MLA

Treasurer

of the

Northern Territory of Australia

Introduction

Madam Speaker, I move that the Bill now be read a second time.

I table the 2017-18 Appropriation Bill and related papers.

Budget 2017 is a budget for all those who believe in the future of the Northern Territory.

It's a Budget for optimists, not pessimists.

It invests in our future – in jobs, children and the community.

It's a Budget for people who believe in our cities, our towns, and our bush communities.

It's a Budget that delivers swift and decisive action for Territorians when it is needed most.

We have developed Budget 2017 with clear principles:

- creating and sustaining jobs for Territorians;
- implementing our election commitments; and
- providing services to Territorians in a smart and efficient way, reducing the costs of government.

This was the clear message coming to us from the Territory's Economic Summits and from Territorians in general. We have listened and acted on this.

Madam Speaker, the economic environment the Territory finds itself in is very challenging.

There has been a cost to the chaos of the last four years of CLP government.

Despite knowing that the construction of the Ichthys liquefied natural gas (LNG) project would come to an end, there was no plan in place for the Territory economy.

Despite the CLP's sale and lease of public assets, it still left a deficit of almost \$900 million and rising debt levels.

The previous government failed to have plans in place for either public or private investment, preferring instead an ad hoc approach to public policy making that saw the Territory chasing one shiny object after another.

Our predecessors left a legacy of slowing population growth and a loss of people interstate.

Worst of all, the CLP destroyed the confidence of our business community and the trust of Territorians in the processes and responsibility of Government.

Since being elected, our Government has worked overtime to change this story.

We have opened up government to restore trust.

We have ensured the money is still flowing through the community and delivered a focused Buy Local framework. We have stimulated the economy by bringing forward \$120 million of construction work; continuing and expanding the Home Improvement Scheme; introducing the steel industry plan; and bringing forward funding on repairs and maintenance to keep as many tradies and subbies working as possible.

We have begun the task of addressing population loss by increasing the First Home Owner Stamp Duty Discount and offering funds for renovations.

We have set about restoring certainty.

We have consulted and listened through our Economic Summits, Community Cabinets and business round tables.

We are putting in place the critical building blocks that will drive our economy going forward, creating jobs and bringing on economic growth.

But we recognise the Government cannot do this on its own. We are building new confidence in the economy that will leverage greater levels of private investment that in turn will create more jobs, more growth and more wealth for the Territory.

Madam Speaker, slowing population growth and the slower growth of the national GST pool were already cause for alarm for the Territory. But nothing could prepare us for the devastating change to the Territory's GST revenue announced just over a month ago.

The \$2 billion GST cut over four years is the biggest single blow to our Budget and is unprecedented in the Territory's history.

This has a deep impact on the Territory's fiscal position over the forward estimates. In fact, it increases our deficit for this Budget to \$1.3 billion and our debt to \$3.6 billion in 2017-18.

Frustratingly Madam Speaker, had it not been for the GST cuts, given the decisions and discipline that we have delivered in government and in this Budget, we would still have been on track to achieving a surplus in 2019-20.

The GST cuts have a huge impact for the Territory, and we will continue to fight for our fair share of funding from Canberra.

Both myself and the Chief Minister will continue to push the Territory's case for investment by the Australian Government through their own agendas – Developing the North, Closing the Gap and the Defence White Paper. Through this co-investment we will see more jobs created and more economic growth in the Territory.

Madam Speaker, while this work starts to have an impact on the economy, we are likely to face a very tough 2017 and 2018. Private investment is expected to decline by 13.1 per cent in 2017-18 and 18.2 per cent in 2018-19.

The slowdown in private business investment is one of the main factors weighing on the outlook for growth, employment and the population.

State final demand will contract in 2017-18 to -2.8 per cent and in 2018-19 to -5 per cent.

Employment growth in the Territory is expected to rise by only 0.5 per cent in 2017-18 and 0.6 per cent in 2018-19.

For the first time in fourteen years, population growth in the Territory is expected to be negative, at -0.3 per cent in 2017.

Construction, which is one of the largest employers in the Territory, is slowing; household consumption and retail conditions are moderating; housing prices have been declining; and inflation is unusually low at 0.4 per cent forecast for 2017-18, coming off 0.1 per cent in 2016-17.

And we know that the largest single project in the Territory, the Icthus LNG project, is transitioning from the construction to operation phase – this will see thousands of jobs come to an end. This, as I have said, is the challenge facing Territorians in 2017.

In this situation a Government can do two things. It can take to the Budget with an axe – slashing and burning services and jobs until all that is left is rubble and shattered dreams. Or it can build a bridge to better economic times.

This Government will build a bridge to a better future.

It will be built on the principles of creating jobs, keeping our election commitments and delivering smarter and more efficient government services. We will invest in the Territory and we will give kids a better start in life and build stronger communities. We will invest to keep more Territorians here and we will actively seek to bring more people to the Territory.

Creating Jobs

Madam Speaker, Budget 2017 creates and sustains thousands of Territory jobs. It does so through the single largest financial investment ever in infrastructure.

In 2017-18 the Government will invest \$1.75 billion in infrastructure across the Territory. Our infrastructure investment includes a \$250 million stimulus package over the next two years. This will deliver job-creating infrastructure for Territorians. It will ensure critical infrastructure is improved and more opportunities to grow and open our economy are delivered.

Of this record investment, \$297 million in cash will be invested in repairs and maintenance works – the most any Territory Government has ever spent. This will cover work right across the Territory, from repairs to our roads, hospitals and health clinics to the maintenance of historic sites, and sports and recreation facilities.

Repairs and maintenance provide the quickest injection of cash into the economy to support jobs. Projects are smaller, have shorter lead times, get started more quickly, so the cash flows faster.

We have deliberately targeted this work as repairs and maintenance supports the Territory's small contractors, tradies and small business. We are deliberately investing in keeping as many skilled Territorians and their families here, in work and in our community.

Madam Speaker, we are investing in our hard-working tradies with an extra \$10.8 million for the Home Improvement Scheme in 2017-18, taking it to \$16.2 million and an extra \$ 5.7 million for the First Home Renovation Grants program for a total of \$7.9 million.

We have also invested an additional \$20 million in the Immediate Works Grants program, which will improve community facilities for all Territorians, bringing the total to \$30 million.

The 2017 Budget further supports small business with:

- \$6.9 million spent on small business development programs;
- \$5 million for Security Systems Assistance Grants – for businesses to improve security on their premises;
- \$1 million in additional Business Innovation Support Initiatives grants each year to enable local businesses to undertake research and development; and
- a focused Small Business Champions Unit created by the Government aimed at assisting small business through the processes of government.

And to support the Tier 1 business community, the Government has already announced \$120 million for larger construction projects brought forward and fast tracked to 2017-18.

To fulfil our commitments of creating certainty for the business community and to build confidence into the future, the Chief Minister has outlined the major projects the Government intends to invest in over the rest of this term of Government. Budget 2017 provides the first down payment on these projects.

These major projects are:

- revitalise the Darwin central business district (CBD);
- build a ship lift facility and Marine Business Park;

- create a vibrant Alice Springs CBD;
- develop a Katherine Logistics and Agribusiness Hub; and
- develop Tennant Creek as a mining and mining services centre by assessing the feasibility of facilities such as a common-user mine processing facility.

These projects will help transform the Territory as we know it, creating jobs, building confidence to invest and building a better future for Territorians for generations to come.

The revitalisation of the Darwin CBD is backed by a \$100 million investment by this Government, placed in the Budget this year.

Additionally, the Government is negotiating with the Australian Government to include Darwin in its City Deals and provide a co-investment into our future. The Darwin CBD revitalisation will see the Waterfront and Cullen Bay clearly linked, anchored at either end, by a redeveloped State Square and a new Museum of the Northern Territory.

Importantly the Government will seek to transform the vitality of the CBD by working with the Charles Darwin University to bring students and some of the schools of the University into the centre of the city.

The Territory Government in partnership with the Australian Government and Darwin City Council will also deliver the \$39 million Barneson Boulevard, to create an iconic new entry into our capital city.

Alice Springs is also a focus of attention for the Government. It is clear that the town needs a major injection to upgrade tourism facilities and to revitalise the CBD.

This is a critical part of the Government's plans to create Alice Springs as the nation's inland capital.

To this end the Government is allocating \$20 million to a program of CBD works over the next few years. We are also seeking to include Alice Springs in a regional City Deal with the Australian Government.

We have committed to invest in the nation's most iconic National Indigenous Art Gallery, which will position Alice Springs nationally and internationally as the place to go if you want to see Australia's amazing Indigenous art history.

Budget 2017 also contains a commitment to the development of an Alcoota Megafauna Fossil Exhibition in the Alice Springs Mall to boost tourism experiences.

The major projects program also includes the start of work on a Logistics and Agribusiness Hub in Katherine. This project will be master planned, led by the Department of Infrastructure, Planning and Logistics, with final funding to be determined once the planning is in place.

This Government is also determined to develop Tennant Creek as a place of mining and mining services. To this end we are undertaking a feasibility study into building a common-user mineral processing facility in Tennant Creek. This study will determine the viability of the project, which would allow small mining operations to get underway without the cost of a major investment in processing facilities.

We will invest in Darwin and Palmerston as a major player in the marine engineering and service industry and have allocated \$100 million towards the ship lift facility. We will also develop a master plan to create a new Marine Business Park.

This major projects program will not only transform the Territory, it will create and sustain thousands of jobs. It supports the Government's infrastructure investments and our efforts in other regions, such as creating Palmerston as our families' city and the \$1.1 billion investment in remote housing.

Madam Speaker, the Government cannot tackle the economic headwinds alone. A clear message from the Economic Summits is that we need the private sector investing in the Territory. To help make this happen the Government has also announced investment aimed at leveraging private investment in the economy.

Budget 2017 delivers \$10 million to get the Darwin luxury hotel development project kicked off. This hotel development is worth over \$200 million and is expected to commence this year and create more than 500 jobs and hundreds of jobs ongoing.

We are encouraging private investment in retirement accommodation – with \$500 000 allocated towards expressions of interest and market testing for Darwin's CBD, its rural area and Alice Springs.

Further expressions of interest will be put out to encourage the development of the old Sports Club site in Katherine and to encourage the development of commercial land in Alice Springs.

With the Australian Government, the Territory has also committed to supporting an exciting major private sector project, Project Sea Dragon. We will invest \$57 million to upgrade the Keep River Plains Road. The \$1.5 billion large-scale aquaculture farm has the potential to deliver about 1000 jobs.

Madam Speaker, the Government believes that the opportunities created by investment in defence in the north are very significant. It's estimated that \$8 billion in defence funding could come to the Territory over the next 10 years – up to \$20 billion over the next two decades. This can provide the sort of investment in our construction sector that is required to create thousands of jobs and ongoing jobs.

That's why we are working with the private sector to draw attention to the capacity and capability of local industries and their potential contribution. This is not easy work. We have worked at both a political and bureaucratic level and the local industries themselves are now regulars on the Canberra circuit constantly drawing attention to Territory business.

To support this effort, Budget 2017 is investing \$1.5 million over three years for a defence advocate based in Canberra.

Madam Speaker, ConocoPhillips is investigating the feasibility of a second train for its Darwin LNG facility, which could open the door to hundreds of millions in investment and thousands of jobs.

The mining industry is confident about the Territory's future. \$1.6 billion worth of resource plans were recently given major project status by this government. The \$850 million Mount Peake vanadium-iron mine north of Alice Springs and Verdant Mineral's \$750 million Ammaroo Phosphate Project near Tennant Creek are expected to create thousands of jobs. Just last month KGL Resources' \$190 million Jervois copper-silver-gold project was also awarded major project status. It has the potential for 650 construction and operations jobs.

The pastoral industry is also headed in the right direction. This Government has granted \$4.1 million to the Northern Territory Livestock Exporters Association to upgrade the Berrimah Export Yards so it can meet future demand.

Our pastoralists and miners, and the people they employ, will all benefit from the \$733 million invested to upgrade roads and transport infrastructure in Budget 2017.

Madam Speaker, the critical infrastructure investment in jobs by the Government will be backed up by a rigorous Buy Local program to ensure the jobs and the money stays in our community. Already the Government has:

- extended the 30 per cent Buy Local weighting to all government procurement;
- required groups receiving government capital grants to comply with our Buy Local program;

- directed Power and Water Corporation, Jacana Energy and Territory Generation to apply Buy Local principles;
- created a new criteria of *Value for the Territory*, removing *Value for Money* as a weighting;
- directed that the weighting for price in any procurement cannot be more than the local content weighting of 30 per cent; and
- started breaking up some contracts to ensure the money is spread around a number of contractors.

Today I can announce that the Government is taking this further with a major restructure of procurement. We will appoint an industry advocate to support local content. This advocate will be backed up by a reformed Procurement Review Board and new, more detailed, auditing procedures from agencies. The Government is determined to make the culture of procurement as one focused on buying local.

Jobs in the bush will be given a major boost through the Government's \$1.1 billion investment in remote housing. This is a historic level of commitment to bush housing but more importantly it is backed by a commitment to local decision making, which will see much of this work delivered by local Indigenous business enterprises.

I will provide more detail on this investment later.

We are also investing to keep jobs local through \$7.9 million to continue the Indigenous Jobs Development Fund for regional councils to support core local government service delivery.

This is a Government that plans ahead for economic opportunities, which is why we will invest nearly \$10 million over four years into the *Mapping the Future* program. This will allow scientists to identify productive land for future use in regional areas, opening up new opportunities for our agriculture sector.

Tourism is also an important part of the Territory's economic future and we've provided \$43 million to market the Territory, including an \$8 million injection for promotion, supporting tourism products and sharing our stories with the world. We are showing people that the Territory is a great place to visit.

In addition, an extra \$4 million, for a total of \$5 million, has been invested so the Territory can attract more tourists from India and China – two of the world's fastest growing markets.

Investing in Children

Madam Speaker, Budget 2017 invests in children for the long term. Giving every child the best start in life is the right thing to do and the smart thing to do. We know investing in the first 1000 days of a child's life can change their future for the better.

Preparing children from birth to make them ready for school, day one, term one, year one, will allow that child the best possible chance to be the best they can be.

More than anything else we do today in this Budget, investing in children will transform the Territory over the next 20 years. If we want to seriously tackle the long-term issues of crime, anti-social behaviour, poverty, poor education and health outcomes, we have to start here today through our investment in children.

The Government has convened the first ever Northern Territory Children's subcommittee of Cabinet. We will finalise the first ever whole of government Northern Territory Early Childhood Development Strategic Plan – a 10-year plan to improve the lives and opportunities for children in the Territory to deliver long-term, generational, economic and social change.

Budget 2017 enables the delivery of this plan, and to expand programs and services that deliver results for families right across the Territory, including:

- \$11.1 million to continue and strengthen the Families as First Teachers program;
- \$7.1 million to continue the Back to School payment scheme;
- \$6 million to continue the early childhood services subsidy for long day care; and
- \$1 million to expand the Nurse-Family Partnership Program. This program will bring more people into close contact with nurses, helping families manage their newborn children.

Madam Speaker, all Territory kids have the right to a quality education. But in their four years of government the CLP cut \$135 million from the education budget.

Between 2012 and 2016 the Department of Education workforce at one point had decreased by over 500 full-time equivalent staff, including 300 less staff in our schools.

This government has listened to educators, to families, and to teachers. This Budget invests in education for our future, with \$999.3 million in 2017-18 to ensure schools are properly resourced to empower teachers, principals and parents to deliver the best possible education for students.

This includes:

- \$426 million for global budgets in government schools, including an additional \$20 million for school resourcing. A further \$63 million is provided to meet centralised school costs;
- \$46.3 million to support the Government's Indigenous Education Strategy, aimed at improving the outcomes of Aboriginal students;
- \$8 million for early intervention to tackle challenging behaviours and to support students with a disability;
- \$500 000 to upskill teachers in digital literacy and to introduce computer coding training into primary and secondary schools; and
- \$400 000 to commence training programs for teachers and emerging and aspiring principals.

Budget 2017 also invests \$141.7 million in school infrastructure across the Territory, including:

- \$56.4 million over four years for the Building Better Schools commitment, which will provide \$300 000 to every school in the Territory for important upgrades;
- \$34.1 million for repairs and maintenance;
- \$18 million for the redevelopment of the Bullocky Point Education Precinct, with the expansion of a new central library and fabrication laboratory at Darwin High School;
- \$9 million for the construction of shared facilities to support primary schools in Zuccoli;
- \$6.5 million for a new integrated preschool at the Tennant Creek Primary School;
- \$6 million for stage 1 of the master plan for Ludmilla Primary School that includes a new early learning centre; and
- \$3.5 million for new transportable classrooms.

Supporting the Bush

Madam Speaker, it is the strong determination of this government to deliver for Territorians living in the bush. This Budget is our first instalment on that pledge.

When our remote communities and regions are strong, the Territory is strong. This is the key to developing the north and to closing the gap on Indigenous disadvantage. Budget 2017 commences an unprecedented Territory Government investment to build and improve thousands of remote houses right across the Territory.

The \$1.1 billion 10-year Remote Housing Investment Package is the largest ever Territory Government investment into remote housing infrastructure with \$106 million invested in 2017-18, including:

- \$50 million for Homebuild NT;
- \$26 million for Room to Breathe;
- \$20 million for repairs and maintenance; and
- \$10 million for locally recruited government employee housing.

In addition we will invest \$24.5 million for land servicing in 2017-18.

We want to build houses where families can raise healthy children, because a good home leads to a good education, good health and good community outcomes.

Importantly, delivering for the bush also means creating jobs. And these houses will be delivered by local workforces that will build the local economies. This will be life-changing for many Territorians and will deliver long-term, generational change.

We are determined to restore local decision making to remote communities, giving communities more say over their lives in the areas of housing, health, looking after kids, justice and education.

To help achieve that, Budget 2017, includes:

- \$26 million to local councils from the Northern Territory Operational Subsidy grant pool;
- \$5 million to establish a Strategic Local Government Infrastructure Fund; and
- \$1 million additional funding for Aboriginal interpreters to facilitate the remote housing program.

We are also investing heavily in connecting people living in the bush by investing in bush roads across the Territory:

- \$78 million to continue upgrading the Arnhem Highway;
- \$57 million to continue upgrades to the Keep River Plains Road;
- \$40 million for the Buntine Highway;
- \$31 million for the Plenty Highway;
- \$25 million to upgrade the Tablelands Highway;
- \$12.5 million for the Barkly Stock Route;
- \$10 million to continue to upgrade Tjukururu Road; and
- \$3.5 million for pavement and seal widening on the Lasseter Highway.

A Vibrant Community

Madam Speaker, this Budget delivers for the community, making the Territory an even better place to live. This is a critical part of our population strategy.

Assisting Territorians into their first home through the First Home Owner Discount will continue in Budget 2017. This will provide stamp duty relief of almost \$24 000 to eligible purchasers. As a result of the First Home Owner Discount, over 420 households in the Territory have already purchased their first home.

We are continuing the First Home Owner Renovations Grant of \$10 000 for existing properties, the \$26 000 First Home Owner Grant for new properties, the senior, pensioner and carer stamp duty concessions, and the Principal Place of Residence Rebate.

We are also making it easier for families in the Territory by investing \$6 million to continue the early childhood services subsidy for long day care, three-year-old kindergarten and family day care services.

Budget 2017 invests in sports, arts and our parks. This includes:

- \$25 million to develop a new home for rugby league at Warren park;
- \$10 million to construct a new indoor netball stadium in Darwin;
- \$10 million will be provided over four years for infrastructure development at Nitmiluk National Park;
- \$6.2 million to upgrade sporting facilities in Alice Springs;
- \$6 million over three years for infrastructure upgrades to community art galleries, art centres, museums, libraries and keeping places;
- \$5 million for remote oval upgrades; and
- \$3.5 million for the Urban and Regional Oval Lights Program.

We are also providing \$11.5 million for grants to support sports in the Territory.

This Government has also invested in the environment, including:

- \$3.1 million for the Hydraulic Fracturing Taskforce;
- \$900 000 to tackle cabomba and gamba grass; and
- \$500 000 to establish an Indigenous Carbon Unit.

A Healthy Territory

Madam Speaker, Budget 2017 improves health services to Territorians.

The Palmerston Regional Hospital is on track to open in 2018. And we have now committed an additional \$2.5 million to build a hydrotherapy pool in 2018-19. Over the next two years \$36 million will be provided to commission this hospital. This will be a major asset for the people of Palmerston.

The Budget also delivers on our commitment to establish the PET scanner and cyclotron at the Royal Darwin Hospital. \$18 million will support this important equipment, delivering vastly improved services to people with cancer. In addition \$5 million will provide 12 specialist chemotherapy chairs at Royal Darwin Hospital. \$12 million has also been invested to build a multistorey carpark at Royal Darwin Hospital.

We are improving health services to people across the Territory, particularly those in regional areas by investing an additional \$73 million to a total of \$259 million to implement the Core Clinical System Renewal Program to revolutionise health records across the health system. This will lower waiting times for patients and arm doctors and nurses with better access to health information to improve care for patients.

We have also undertaken a major upgrade of renal facilities to meet the rising demand, including:

- \$9.7 million for a purpose-built Darwin renal centre; and
- \$1.4 million to establish two renal-ready rooms to increase access to dialysis in remote communities.

A Safer Territory

Madam Speaker, this government is serious about making the Territory a safer place to live.

We are delivering on our election commitment to reintroduce the Banned Drinkers Register to reduce alcohol-related harm. This \$17.2 million investment will not only make our communities safer, it will improve health outcomes as well.

Budget 2017 also helps our emergency services workers to do their jobs, including \$26 million to build a new Palmerston police station and \$8 million to build a new Katherine fire station.

And Budget 2017 sees significant investment to creating safer communities with \$5 million allocated for police resourcing and recruitment, and the funding will increase to \$15.8 million by 2019-20, as we work towards our election commitment of an extra 120 police officers.

We have also invested an additional \$2 million to expand and maintain the CCTV network and have commenced the \$44.9 million Police Real-time Online Management Information System replacement project, to improve the delivery of law enforcement.

To support our police force, Budget 2017 also sees investment of \$2.1 million to trial the COMMIT program to reduce incarceration and reoffending rates as well as \$1.8 million to continue the Work Not Play program. We have also provided a \$500 000 increase to the Victims of Crime Fund.

In addition, \$22 million will be invested to upgrade youth detention facilities and establish youth bail support accommodation.

We also want to keep families safe. We're investing \$6.2 million to continue the implementation of the domestic and family violence reduction strategy; \$6 million to replace the Alice Springs women's shelter and there's \$3 million to create the Alice Springs Domestic Violence Court.

Restoring Trust

Madam Speaker, this Budget delivers on our commitment to restore trust in Government.

The Territory Government is committed to establishing a new Northern Territory Public Sector Integrity Framework.

Budget 2017 delivers \$3 million per annum to a Northern Territory Independent Commission Against Corruption, which will be legislated this year and begin its work in 2018.

Budget 2017 will also fund an inquiry into political donations. The Government is determined to change the way elections are funded to help give Territorians the confidence to believe in their political system again after the last four years of the CLP government.

Population

Madam Speaker, the Government believes we need to keep more people here and attract more people to the Territory. These actions to attract people to the Territory include:

- creating jobs;
- developing an overarching Territory brand designed to promote the Territory interstate and overseas as a place to live, do business and visit; and
- bringing international students to the Territory.

To ensure people stay in the Territory, we are also putting downward pressure on the cost of living. Budget 2017 launches a multi-pronged attack on this challenge, including:

- getting Territorians into jobs;
- supporting Territorians into homes;
- supporting the Territory's young families;
- keeping essential costs under control; and
- supporting Territory seniors.

Part of our plan to keep more seniors in the Territory is investing \$33.9 million into a fairer Pensioner, Carer's and Concession Scheme. The government will undertake comprehensive consultation with stakeholders before the launch of the new system on 1 January 2018.

Revenue and Efficiencies

Madam Speaker, this Budget provides a clear blueprint of where we are taking the Territory. But it comes with some tough decisions and heavy lifting. This Government has had to show strict internal discipline over its own finances to help pay for these investments in the Territory's future.

We are determined to demonstrate ongoing fiscal discipline to improve the budget bottom line and ensure future budgets will pave a pathway to return to balance.

We have asked our Northern Territory public sector department chief executives to find savings and run as efficiently as they can. They've been given a tough job – they have found savings of \$55 million in the next financial year, which will increase to \$95 million the following year. They've been told to use measures such as natural attrition, cutting waste, duplication and programs that aren't delivering or are non-critical.

This Government values our public service and these savings will be achieved responsibly and respectfully. There will be no cuts to frontline services and no forced redundancies.

We will also apply a strict wages policy to better align future wage increases to CPI with no new wage increase to go beyond 2.5 per cent, down from 3 per cent, that will save more than \$36 million.

The public service was expecting to get a 1.5 and 2.5 per cent increase in their budgets to account for CPI – that has been reduced to better align agency budgets to current economic conditions and will save more than \$31 million.

All these measures are about getting the best bang for the buck for taxpayers, while maintaining quality services across the Territory. But you can only tighten your belt so far, we have also needed to raise more revenue. These are not easy decisions and we have done this in a way that acknowledges how tough many Territorians are doing it at the moment.

We have reviewed and are changing community gaming machine tax rates and thresholds. This will raise more than \$3 million in the first year and \$4.6 million each year after that.

We are raising the stamp duty rate on high-valued properties, specifically those above \$3 million, of which there are around 50-60 transactions a year.

There will be a moderate increase in motor vehicle registration fees, after rates remained flat since 2015. Total registration costs will increase by around 4 to 5 per cent for small and medium cars, and about 7 per cent for larger vehicles.

There are other minor fees and charges across government departments that have also risen, again at rates that we felt Territorians could afford in order to raise \$2.2 million. These modest and carefully considered changes are in stark contrast to the previous CLP government's approach. They opted for deep cuts and huge revenue-raising measures, which hurt Territorians.

Unfortunately, despite these revenue-raising measures and our savings, we still deliver a deficit, and we won't balance the books as we had intended in 2019-20. The fiscal deficit for 2017-18 is now estimated to be \$1.3 billion before moderating to \$572 million by 2020-21.

General government operating expenses are expected to grow by only 0.1 per cent per annum on average over the forward estimates. This is the lowest ever growth in recurrent government spending and shows just how serious this Government is about being fiscally responsible.

Again I will make this point – and it is an important one – taking into account all of the revenue and expenditure decisions we have made, we would have been on track to achieve a surplus as planned if not for the \$2 billion GST bombshell that has rocked this Territory to its financial foundations.

Conclusion

Madam Speaker, today's Budget marks another stage in the government's plans to create certainty and confidence in our economy. Over the next few weeks we will be delivering our broad Economic Development Framework as well as the election commitment to a 10-year Infrastructure Strategy.

Our central message to the business community and Territorians in general is quite straight forward. Despite the unprecedented headwinds facing our economy this Government will:

- create and support jobs;
- implement our election commitments; and
- run a smart, efficient government that keeps costs down.

The Territory has an amazing future. We are a young, agile, skilled and resilient community.

We have an abundance of natural resources and environmental wealth. We are right next door to the world's largest economic growth region. We remain the place of opportunity for all Australians.

We will overcome the economic challenges we face...and we will do so in a way that keeps Territorians here, attracts people to us and enriches us all.

We will do it equitably, not leaving people behind. And we will do it with short-term outcomes and long-term fundamental change built into every decision we make.

I know the next 12 months will be tough but we will meet this head on, push through and be a stronger Territory in the future.

And that is why this Budget 2017 invests in the future of the Territory – in jobs, children and our community.

Thank you Madam Speaker, I commend this Bill to the House.

Part 2

Appropriation Bill

Serial 20

Appropriation (2017-2018) Bill 2017

Ms Manison

A BILL
FOR
AN ACT

to authorise an amount to be paid from the Central Holding Authority for the financial year
ending 30 June 2018

NORTHERN TERRITORY OF AUSTRALIA

APPROPRIATION (2017-2018) ACT 2017

Act No. [] of 2017

TABLE OF PROVISIONS

1	Short title	1
2	Appropriation	1
3	Expiry of Act	1
Schedule	Appropriation	



NORTHERN TERRITORY OF AUSTRALIA

Act No. [] of 2017

An Act to authorise an amount to be paid from the Central Holding Authority for the financial year ending 30 June 2018

[Assented to [] 2017]

[Second reading [] 2017]

The Legislative Assembly of the Northern Territory enacts as follows:

1 Short title

This Act may be cited as the *Appropriation (2017-2018) Act 2017*

2 Appropriation

- (1) An amount in aggregate of \$6 008 184 000 is authorised to be paid from the Central Holding Authority for the financial year ending 30 June 2018.
- (2) The amount is authorised to be paid to each Purpose of an Agency that is specified in the Schedule, in the amount specified opposite the Purpose.

3 Expiry of Act

This Act expires on 1 July 2018.

Appropriation (2017-2018) Act 2017
SCHEDULE

Purposes	Amounts
	\$000
AUDITOR-GENERAL'S OFFICE	
Output	3 077
NORTHERN TERRITORY ELECTORAL COMMISSION	
Output	1 359
OMBUDSMAN'S OFFICE	
Output	1 932
DEPARTMENT OF THE CHIEF MINISTER	
Output	84 152
DEPARTMENT OF THE LEGISLATIVE ASSEMBLY	
Output	25 893
Capital	41
NORTHERN TERRITORY POLICE, FIRE AND EMERGENCY SERVICES	
Output	342 225
Capital	13 595
Commonwealth	25 211
DEPARTMENT OF TRADE, BUSINESS AND INNOVATION	
Output	190 202
Commonwealth	15 126
DEPARTMENT OF TREASURY AND FINANCE	
Output	150 694
DEPARTMENT OF INFRASTRUCTURE, PLANNING AND LOGISTICS	
Output	248 051
Capital	432 645
Commonwealth	257 089
DEPARTMENT OF THE ATTORNEY-GENERAL AND JUSTICE	
Output	306 714
Capital	4 485
Commonwealth	8 404

Appropriation (2017-2018) Act 2017
SCHEDULE

Purposes	Amounts
	\$000
DEPARTMENT OF HEALTH	
Output	1 043 685
Capital	29 929
Commonwealth	63 957
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT	
Output	292 762
Capital	40 456
Commonwealth	213 561
OFFICE OF THE COMMISSIONER FOR PUBLIC EMPLOYMENT	
Output	5 749
DEPARTMENT OF PRIMARY INDUSTRY AND RESOURCES	
Output	69 078
Capital	251
Commonwealth	8 336
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES	
Output	48 345
Capital	573
Commonwealth	2 239
DEPARTMENT OF TOURISM AND CULTURE	
Output	219 453
Capital	305
Commonwealth	775
DEPARTMENT OF CORPORATE AND INFORMATION SERVICES	
Output	147 763
Capital	80 232
ABORIGINAL AREAS PROTECTION AUTHORITY	
Output	2 694

Appropriation (2017-2018) Act 2017
SCHEDULE

Purposes	Amounts
	\$000
DEPARTMENT OF EDUCATION	
Output	577 643
Commonwealth	349 680
TERRITORY FAMILIES	
Output	260 762
Commonwealth	12 567
CENTRAL HOLDING AUTHORITY	
Treasurer's Advance	30 000
Interest, Taxes and Administration	147 282
Employee Entitlements	249 212
<hr/>	
TOTAL APPROPRIATIONS	6 008 184
Output	4 022 233
Capital	602 512
Commonwealth	956 945
Treasurer's Advance	30 000
Interest, Taxes and Administration	147 282
Employee Entitlements	249 212