# Speech and

Appropriation Bill

## 2013-14

Budget Paper No. 1

Part 1

Speech

Delivered on 14 May 2013

by

The Hon. David William Tollner, MLA Treasurer

of the

Northern Territory of Australia

## Introduction

Madam Speaker, I move that the Bill be now read a second time. I table the 2013-14 Appropriation Bill and related papers.

The 2013 Budget is a responsible budget that builds a future for all Territorians. It ensures that the Territory maximises the benefits from the economic growth we are about to experience, and addresses some of the serious problems left by the former government.

Madam Speaker, this government inherited a level of debt from the former government that by the end of 2015-16 would have amounted to $5.5 billion, with this level of debt equating to in excess of $1.1 million in interest repayments every single day. The budget deficit was projected to be $867 million in 2012-13 – for a small jurisdiction like the Northern Territory, that was simply unsustainable.

As a result of Labor’s fiscal irresponsibility, the Territory’s AA1 credit rating has been placed on a negative outlook by the Moody’s ratings agency.

The situation would have deteriorated substantially if the Country Liberal Government had not acted quickly to reduce the debt burden by

$1.2 billion at the Mini Budget.

Moody’s would have almost certainly downgraded our credit rating, which would have resulted in an increased cost of borrowing, leaving the Territory paying needless additional interest every single day.

Madam Speaker, it is now obvious to everyone that the former government could not be trusted to be responsible with the Territory’s finances.

Madam Speaker, while the 2013 Budget continues to rein in government spending and reduce this staggering level of debt, it also puts Territorians first by maximising our great Territory lifestyle. It addresses areas of need neglected by the former Treasurer, such as ensuring that Territorians have access to affordable housing and thereby putting downward pressure on the cost of living.

Furthermore, the 2013 Budget demonstrates:

* that we cherish our freedom and value our lifestyle;
* that the Giles Country Liberal Government is determined to build a diverse, resilient and sustainable economy;
* that we are serious about restoring the balance between the public and private sector – not by slashing jobs and services, but by removing impediments to private enterprise investment;
* that we are committed to investing in important infrastructure, and developing our regions; and
* that the safety of our communities remains as a top priority.

These are not just words, Madam Speaker. Territorians will see action – responsible action.

Madam Speaker, our three-hub economy is attracting investment in mineral resources, expanding primary industry and providing the platform for increased tourism visitation. We are creating jobs and making the Territory a more diverse place to live and work. Our government is harnessing these existing opportunities and is constantly pursuing new ones.

The 2013 Budget also starts the work of making doing business easier by reducing needless government interference. The ultimate aim is to grow small and medium enterprises in the Territory to provide ongoing economic development.

We are a government that is concerned for the future of all Territorians. Developing our regions through the encouragement of commercial enterprise, improved services and infrastructure is vital to the economic development of the whole Territory and the wellbeing of Territorians, not just in our urban centres, but in the bush as well. Indigenous advancement is everybody’s business and we intend to encourage

our smaller communities to help themselves become economically sustainable.

We want to make the Territory a destination that people will want to visit again and again. It is time that we show the world that we are serious about making the Territory a premier tourist destination that does justice to the abundance of beautiful and unique natural wonders that we have in our vast backyard.

Our Real Housing for Growth plan and HomeBuild Access scheme, together with accelerated land release, provide more housing choices for Territorians and increase the supply of new and affordable housing.

The 2013 Budget will assist to ease housing cost pressures, further enhance our lifestyle and support the attraction and retention of key workers in the Territory.

Our strong law and order measures will make people safer and target offenders.

Madam Speaker, in order to achieve these aims, and many others, we have to first get the financial position of the Territory under control.

With the Giles Government’s focus on putting Territorians first, we have listened to Territorians and decided to stage the necessary increase in utility tariffs in a responsible manner.

The next step in reducing the debt burden is to further tighten our own belts, reduce red tape and remove impediments to growth.

However, this job has been made harder by the Commonwealth Grants Commission’s 2013 goods and services tax (GST) relativity update that has effectively knocked more than $100 million per annum out of the Territory’s coffers from 2013-14. This reduction is akin to taking

$6 billion from Victoria and New South Wales combined. In 2013-14 alone, this has meant that in absolute terms we are expecting to receive

$16 million less in GST revenue than in 2012-13.

Madam Speaker, as a result we have taken the sensible step to defer the achievement of a fiscal balance by two years to 2017-18. Not to have done so would have been irresponsible and would have meant more pain for all Territorians.

## Budget Outcome

Madam Speaker, while the Territory economy is vibrant, the vast majority of our revenue is reliant on the national economy. In the Territory, around 80 per cent of our revenue at the general government sector is sourced from the Commonwealth compared to around 50 per cent in other jurisdictions. We are particularly reliant on GST revenue, which is expected to decrease by 0.6 per cent in 2013-14 compared with the 6.3 per cent average annual growth in GST revenue that the former government enjoyed during its tenure. Madam Speaker, the reductions in our share of the GST does not mean that we are moving away from our commitment to responsible financial management. Far from it – we remain focused on getting the Territory back on a sustainable financial footing, but not in a way that will compromise the Territory’s economy or raise the cost of living for Territorians.

Despite the fall in our major revenue source, the debt position is still significantly improved from that which we inherited from the former fiscally irresponsible Labor government. Overall, the net debt to revenue ratio is estimated to be 80 per cent in 2013-14, compared to 87 per cent estimated in the 2012-13 Budget. By the end of the forward estimates period, the ratio is projected to be 86 per cent, well below the 98 per cent projected by the former government in 2015-16.

For 2013-14 the overall fiscal deficit is $1.185 billion, which incorporates the recognition of the $521 million Darwin Correctional Precinct. This is higher than the Mini Budget estimate due to the reduction in the GST,

as well as the timing of expenditure between years that has improved the 2012-13 estimated outcome. In addition, the reductions in the GST have meant that when compared to the Mini Budget, the estimated outcomes in forward years have also deteriorated. Despite this, and when compared to Pre-Election Fiscal Outlook estimates back in August 2012, the fiscal balance is still improved by over $200 million in each of the 2014-15 and 2015-16 years.

Madam Speaker, the overall fiscal deficit continues to reduce over the forward estimates period in a responsible staged manner with a deficit of $176 million estimated in 2016-17. This reducing deficit will be achieved by constraining operating expenditure growth over the forward estimates to 1.8 per cent.

This is a direct result of the savings and efficiency measures that have been introduced across government and the significant improvement in the financial position of the Power and Water Corporation. In addition, the savings measures have provided this government with the capacity to fund its election commitments and the legacy items left behind by the former fiscally irresponsible government.

Those legacy items, never budgeted for by Labor, total more than $100 million ongoing. These items include operational funding for the Alice Springs Hospital emergency department, costs associated with police housing and overtime, and demand pressures in child protection and out-of-home care services.

Madam Speaker, net capital expenditure is also projected to decline over the forward estimates period as private sector investment continues to ramp up. Overall total budget spending, including both operational and capital for 2013-14 at the general government sector, is $5.7 billion.

Madam Speaker, the projected constrained expenditure growth will be supported by the enhanced monitoring of expenditure that the Giles Government is implementing. These measures include the establishment of a Budget Management Cabinet Subcommittee

to constantly monitor agency expenditure, performance packages for departmental chief executives to reward frugal and efficient

management, and a mid-year budget review that will provide options to redirect resources and achieve further efficiencies. The days of Labor waste and profligate spending are behind us. For the sake of future generations, there must be more efficient and effective service delivery.

## Power and Water

Madam Speaker, I now turn to the Power and Water Corporation.

For several decades Australia has been reforming its utilities industries and the focus has been on a much more market-focused and competitively based sector.

The promotion of market competition was a primary objective of the reforms that commenced in 1999 under the previous Country Liberal Government, under the auspices of National Competition Policy. At the time, the then Power and Water Authority was the dominant electricity supplier in the Territory.

Madam Speaker, the Country Liberal Government started the reform agenda in the Territory and it was continued for a time by the Martin-Stirling Government. They understood the long-term benefits of reform and also the danger of not embracing competition in our marketplace. This danger was spectacularly highlighted when NT Power successfully sued the Power and Water Authority for refusing access to its distribution infrastructure prior to 2000.

In 2001, the *Government Owned Corporations Act* was created and by 2002 the Power and Water Authority was placed on private sector-like governance arrangements and rebadged as the Power and Water Corporation – it was the first government owned corporation in the Territory.

However, since then the reform agenda has stalled.

Regrettably, the former Labor government did nothing that was effective in promoting or encouraging competition. The Power and Water Corporation was never allowed to meet its objectives under the

Act and operate at least as efficiently as any comparable business. It was a bloated, inefficient organisation only sustained through taxpayer subsidies. This was a fact not lost on the Moody’s rating agency, which recently commented on the need to improve the financial sustainability of the Power and Water Corporation.

Following the 2012 election, the Country Liberal Government took the hard but necessary decision to increase tariffs and to put the corporation back on a firmer financial footing.

While winding back some of these increases, the Giles Government is similarly committed to achieving (and maintaining) the commercial sustainability of utility services across the Territory and getting the reform agenda back on track.

Ensuring that Power and Water meets its commercial objectives and operates in an efficient manner requires new people and new skills to drive efficiencies within the corporation. Accordingly, an interim

board has been charged with responsibility for implementing initiatives to improve operating efficiency that will contribute to the corporation moving towards commercial sustainability.

Broader reforms to encourage more efficient and reliable electricity supply are also under development and will further benefit Territory consumers.

Recently, the Northern Power Group backed our reform agenda by announcing its proposal to establish a 60 megawatt gas-fired generation facility to supply into the Darwin/Katherine system, in competition with the Power and Water Corporation.

Madam Speaker, Power and Water Corporation’s 2013-14 statement of corporate intent (SCI) that will be tabled in these sittings, shows a

substantially improved financial position and outlook when compared to the 2012-13 SCI. Over the five years from 2012-13 to 2016-17:

* revenues will increase by $164.7 million;
* operating costs will decrease by $180.1 million;
* borrowings will decrease by $818 million; and
* net debt will be lower by $681.7 million.

## Taxation

Madam Speaker, the 2013 Budget continues this government’s responsible fiscal policy without sacrificing the Territory’s status as a low tax jurisdiction. To this end, two revenue measures are introduced as part of the Budget that are focused on protecting the integrity of the Territory’s mineral royalty regime in order to ensure that all Territorians receive a fair return on the Territory’s mineral wealth through the collection of mineral royalties.

The first measure is to establish the rules governing the amount that a royalty payer can claim as a transfer pricing margin.

Transfer pricing generally involves an initial sale of minerals between a miner and a related overseas-based trading entity, after which the minerals are usually on-sold to a third-party customer, or to a related commodities refiner within the group, with a profit margin or transfer pricing factor earned by the trading entity.

Accounting for transfer pricing is administratively burdensome on both the Territory and the miner. New rules will clarify the arrangements and minimise the need for costly valuations from both parties.

The claimable transfer pricing margin will be capped at 5.5 per cent except in circumstances where the royalty payer has a relevant transfer pricing arrangement in place with the Australian Taxation Office.

The second measure limits the deductibility of head office expenses, management fees and administrative labour costs to those costs incurred by an office located, or for work performed, in the Territory.

These measures are expected to increase revenue by about $10.6 million per annum.

However, these measures are about more than just ensuring the mining industry continues to contribute fairly to the Territory community.

These measures will also reduce red tape and expenses involved in administering the royalty scheme and may also act as an incentive for large miners to set up offices in the Territory.

Although not a revenue source for Government, consistent with provisions of the *Motor Vehicles Act,* Motor Accident Compensation contributions will rise in line with the consumer price index (CPI).

## Building Our Economy

Madam Speaker, the Territory economy is going from strength to strength.

Our economy is forecast to grow by 4.6 per cent in 2012-13 and by 5 per cent in 2013-14. This is mainly due to strong growth in construction activity related to the development of a number of major projects across the Territory.

First and foremost of these projects is the $34 billion Ichthys project being undertaken by INPEX and Total. However it is by no means the only project having a big impact on the Territory economy.

Development of the $1.4 billion Montara oilfields in the Timor Sea has recently been completed and production is scheduled to commence soon and will significantly boost international exports from the Territory over the coming year. Additionally, construction activity for the Marine Supply Base is continuing, as is expansion activity at Xstrata’s McArthur River mine near Borroloola and Gemco’s manganese mine at Groote Eylandt. The completion of expansion activity at these two mines will provide increased employment opportunities for local communities.

Similarly, the Giles Government’s grant of major project status for Vista Gold at Mount Todd, the strong support of Sherwin Iron, Western Desert

Resources and Australian Ilmenite, all in the Roper region, along with encouraging Arafura Resources to process their product in the Territory, present these communities with potential long-term job prospects.

The Territory’s labour market is forecast to strengthen over coming years, driven by development of major projects and strong growth in residential construction activity. Growth in the number of new houses and units being built is also expected to support the Territory’s retail industry, especially in the household goods sector, both in terms of increased sales and employment.

The retail sector in the Territory will also be boosted over the next few years by the redevelopment of Casuarina Square, which is expected to include a new full range Myer department store and 50 additional specialty shops. There is also a proposal for a new shopping centre in Palmerston, to be named The Gateway, which will incorporate a supermarket, discount department store, restaurants and various specialty stores. This is great news for Territorians both in terms of increased choices and higher levels of competition among retailers.

Business activity in the Territory will also be supported by strengthening population growth as increasing numbers of people are drawn to the Territory from around the world to work on the Ichthys project. The Territory’s population is forecast to grow by 2 per cent in 2013 and by

2.5 per cent in 2014 and 2015.

In addition to working with INPEX to ensure the Ichthys project delivers the best outcome for local businesses, the Giles Government is working to diversify the economy to ensure that the Territory’s future prosperity rests on a broader economic base. We are already on the way to achieving this goal with the opening of the North Australian Centre for Oil and Gas, funded by both the Territory Government and INPEX – a cutting edge facility providing training and education in engineering and other in-demand skills.

The forecast growth in the Darwin CPI in 2013 has been revised downward from the 4.3 per cent reported in the 2012-13 Mini Budget to

3.9 per cent in the 2013-14 Budget.

This mainly reflects the Government’s decision to scale back increases in electricity prices from 30 per cent to 20 per cent, water prices from 40 per cent to 30 per cent and sewerage prices from 25 per cent to

15 per cent.

## Supporting Economic Development

Madam Speaker, the 2013 Budget focuses on growing a diverse economic base through a three-hub economy that will attract investment in mining and energy, tourism and food production, and exports.

To demonstrate that the Giles Government is serious about diversifying the economy, an economic development advisory panel has been established, consisting of external experts in the areas of macro economics, financial investment and industry engagement.

Additional funding of $0.4 million has been provided for two years for the panel and a new Economic Development Unit to prepare and implement an economic development strategy for the Territory.

Since this Government was elected, tourism has already been boosted by the return of Tiger Airways to Alice Springs with an expected return to growth in the number of Japanese visitors coming to the Territory.

The 2013 Budget includes an $8 million boost for tourism, providing a total of $15 million, to extend the Territory’s international marketing activities in partnership with tourism retailers, airlines and other partners, highlighting experiences in the Territory’s regions. The additional funding includes:

* $3 million for international trade and consumer campaigns;
* $3 million for international digital advertising;
* $1 million for industry digital marketing to work with industry operators to fully integrate the industry into the digital marketing arena; and
* $1 million to increase the reach of Brand NT. The 2013 Budget also incorporates:
* $8 million for whole of Territory domestic marketing activity;
* $1.9 million for regional marketing partnerships;
* $2 million in media purchasing to market and promote the Territory as a visitor destination; and
* $1.7 million to attract business events to the Territory.

Mining investment is crucial to the economic development of the Territory. The 2013 Budget includes additional funding of $9.1 million to increase the capacity of the Department of Mines and Energy and improve monitoring and regulation of mining activities.

This includes the re-investment back into the sector from the introduction of a 1 per cent mining levy of an estimated $6.45 million, including $3 million to establish a mining remediation fund and a dedicated mining remediation team.

The 2013 Budget also includes additional funding of $0.95 million to establish a Northern Territory Energy Advisory Council and a

directorate of energy to coordinate all government energy functions.

In addition to the expansion of services to the mining industry, the Budget includes measures to support and grow local business by providing $2.9 million over two years through the apprenticeship and traineeship support package for training apprentices and trainees, and supporting their employers, and $1 million for the Indigenous

workforce participation program, a Territory-wide grants program for the development of workforce planning that supports increased Indigenous employment opportunities.

Madam Speaker, to assist small business to reduce its utility costs, the Giles Government has invested a further $0.49 million to strengthen the Territory’s ecoBiz NT program.

The Government continues to support the primary industry sector, with ongoing funding of $0.4 million to establish an Ord Development Unit to maximise the Territory’s opportunities from the Ord development expansion.

Further initiatives to expand the primary industry sector include:

* $2.5 million for the sustainable management of the Territory’s aquatic resources;
* $0.28 million to provide ongoing cattle inspection services and develop a live export market development strategy to facilitate market access to eastern and southern Australia in response to changes in destinations of Territory cattle shipments; and
* $0.3 million in additional funding over two years for commercial fisheries development, including the barramundi fishery.

## Infrastructure for the Territory’s Future

Madam Speaker, the 2013 Budget invests in building the Territory’s future with $1.184 billion for infrastructure.

This includes $560 million for the capital works program, $295 million for the Power and Water Corporation infrastructure program, $257 million for repairs and maintenance and $68 million for capital, and repairs and maintenance grants.

Madam Speaker, the Territory Government is committed to providing new and upgraded infrastructure in remote communities to enhance services and stimulate regional development with a $368 million injection in total infrastructure. In addition, $30 million over three years has been committed for a regional roads maintenance program that will provide a much needed boost to roads within the Central Desert, MacDonnell, Victoria Daly, Roper Gulf and Barkly shires.

This infrastructure spend in the 2013 Budget continues to provide for more roads, housing and improving schools and health centres across the Territory. It provides a $40 million boost to repairs and maintenance across the Territory in 2013-14, inclusive of the regional roads strategy, as part of a $100 million increase over four years to address the Territory’s maintenance backlog left by the former government. The 2013-14 repairs and maintenance funding includes:

* an additional $10 million in 2013-14 as part of the $30 million regional roads package, bringing the total roads repairs and maintenance funding to $94.9 million;
* $11.4 million for Police, Fire and Emergency Services to maintain and upgrade facilities, including additional funding for an upgrade of

intercom systems at the police cells and a review of critical electrical systems at Peter McAulay Centre;

* + $28.8 million for the Department of Health and Health and Hospital Services, including additional funding to make over a number of health centres and other facilities including Royal Darwin Hospital and the Tamarind Centre; and
	+ $43.2 million for the Department of Education and Children’s Services to repair and maintain facilities including major mechanical, plumbing and roofing projects, tree maintenance and the replacement of fixtures to improve energy efficiency.

In addition to these investments, construction of the $110 million Marine Supply Base is significantly underway with operations expected to begin in 2013-14.

Sustainable Services for the Territory’s Future Madam Speaker, a strong and diverse economy and reducing debt are vital if governments are to achieve better outcomes for the people they serve. The benefits of good economic management are well-known. By taking responsible action now, the benefits will flow to everyone.

We know Territorians want safe and secure communities, affordable housing, a good health system, improvements in education, transport and development in the regions, and to enjoy the great Territory lifestyle for which we are famous. The 2013 Budget invests in these areas and over time there will be more investment and less belt tightening, once we have addressed the high and unsustainable level of debt we have been left with.

I now turn to these important areas.

## Safe and Secure Communities

Madam Speaker, all Territorians want to live in safe communities.

The 2013 Budget provides additional resources to strengthen law and order and improve community safety for Territorians.

The 2013 Budget provides funding of $35 million per annum from 2013-14 to deliver this Government’s alcohol policy of mandatory rehabilitation for problem drinkers. This initiative will provide real and effective treatment for those drinkers who have been taken into protective custody at least three times in a two-month period. Under

the plan, problem drinkers will be assessed for a placement of up to 12 weeks in rehabilitation centres across the Territory.

It is expected that up to 800 problem drinkers will receive treatment at centres in Katherine, Darwin, Alice Springs and Nhulunbuy. This policy affirms the Giles Government commitment to help problem drinkers overcome the cycle of drunkenness that costs the Territory $642 million every year in police time, hospitalisations and lost productivity.

The 2013 Budget also includes $10 million for infrastructure associated with the mandatory rehabilitation of problem drinkers. The Budget also invests $22.5 million to provide an additional 120 frontline police officers across the Territory by June 2016, including 20 in Alice Springs.

In addition, the Giles Government will improve police and emergency services response times through a boost to the number of staff at the Joint Emergency Services Communications Centre at the Peter McAulay Centre by an additional 20 positions.

The total Police, Fire and Emergency Services budget for 2013-14 is $394 million, up $51.5 million from 2012-13, with a capital works program of $32 million. This includes $10.9 million for the expansion of police facilities in Alice Springs and $9.4 million for the Arlparra Police Station.

Madam Speaker, construction work is continuing on the new Darwin Correctional Precinct, with this budget including $5.4 million for its commissioning and $2.4 million to manage rising prisoner numbers in the existing Darwin and Alice Springs correctional centres.

The 2013 Budget funds the Giles Government’s ‘Sentenced to a Job’ policy, designed to reduce recidivism. Funding of $3.1 million will be made available to enhance prison industries at the Alice Springs Correctional Centre.

In addition to the Territory Government’s boost to law and order, there are an extra 94 Territory police funded by the Commonwealth to respond to incidents at the Darwin Immigration Centre and $40.3 million as part of the Stronger Futures package to support continued improvements in community safety in remote communities, particularly through remote policing, infrastructure and improved drug enforcement.

Madam Speaker, the Giles Government takes its responsibility seriously. Responsible action is required to make our communities safer, and that’s what the 2013 Budget delivers.

## Affordable Housing

Madam Speaker, in order for Territorians to enjoy the great Territory lifestyle, they must be able to afford somewhere to live.

One of the priorities for the Giles Government is the delivery of affordable housing for Territorians. The 2013 Budget includes

$0.8 million for the new NT Planning Commission. The Planning Commission will plan properly for the Territory’s future growth and progress the timely release of land, to increase the supply of affordable housing.

The 2013 Budget provides home loan products and services to increase the supply of new, affordable housing and provides more home ownership opportunities for Territorians to purchase their own homes, thereby reducing demand pressures on the rental market.

The new HomeBuild Access scheme provides loans for home buyers across the Territory, and includes a low deposit loan, an off-the-plan deposit loan, a subsidised interest rate loan and a fee assistance loan.

The 2013 Budget includes $27 million over four years under the Real Housing for Growth plan to stimulate construction of affordable housing. The Real Housing for Growth plan provides more housing choices for Territorians and aims to increase housing supply to ease housing cost pressures and support the attraction and retention of key workers.

As part of Real Housing for Growth, the Government will partner with private developers to facilitate the construction of 2000 affordable homes over the next four years and we are on track to meet that target.

Land release is an important aspect of the Giles Government’s growing the Territory’s future with the 2013 Budget investing a further $20 million for headworks to ensure the fast tracking of the release of land in Palmerston East.

The total housing infrastructure program for this budget is $270 million for delivering improved urban and remote housing, with $52.9 million for urban public housing, $44.6 million for government employee housing and $171.9 million for remote public housing.

## Healthy Territorians

Madam Speaker, the 2013 Budget demonstrates this Government’s commitment to the health and wellbeing of Territorians. Good health is the key to enjoying our great Territory lifestyle. That’s why the Giles Government is taking action in this area. In addition to the new framework to ensure that health and hospital services are delivered effectively to the community, this Government has injected funding of more than $40 million in 2013-14 to improve and expand health services and meet increased demand pressures within our hospitals.

Health expenditure has historically grown significantly in excess of 7 per cent per annum and the previous fiscally irresponsible Labor government funded these demand and cost pressures on an ad hoc basis. This proved to be a disincentive for line managers in health to manage within their allocated budget. Rather than continuing in this type of window dressing approach to fiscal management, the Giles Government has provided ongoing demand and cost growth factors to the base level of funding for health. This presents a much clearer view of health expenditure and provides greater certainty to the department, enabling better management of the significant resources invested in the the health of Territorians.

Furthermore, the 2013 Budget allocates significant funding to meet Government’s election commitments and provides resources to ensure that critical programs have sufficient funding to continue to meet the needs of all Territorians including:

* $6.5 million for enhanced cardiac outreach services and cardiac rehabilitation services, and the commencement of low-risk angioplasty services;
* $7.5 million to support the patient assistance travel scheme;
* $4.46 million for an additional 400 elective surgeries per annum;
* $3.86 million to meet the operational expenses of secure care facilities; and
* $5.51 million to meet the operational expenses of the Alice Springs Hospital emergency department.

The Giles Government understands the importance of Territory families. The 2013 Budget provides additional funding to support families with $5 million to support out-of-home care and child protection.

The 2013 Budget also includes $25.1 million that has been redirected into frontline services for families and children to ensure programs are targeted to meet the needs of vulnerable Territory children and families.

The 2013 Budget includes significant investment in the Territory’s health infrastructure, not least of which is $5 million for the development of a hospital scoping study and master plan for the Greater Darwin region. The funding for the Palmerston hospital remains as part of the budget, but we want to get this important investment right. Unlike the former fiscally irresponsible Labor administration, which was only interested in cheap headlines in the lead-up to an election campaign, we will be consulting with the community and developing a complete master plan for the Greater Darwin region.

In addition, the Giles Government continues to invest in the regions, including $29.6 million for continuing remediation works and upgrade of the Alice Springs Hospital, $13 million to upgrade the emergency department at Gove District Hospital and $16.6 million for the construction and upgrade of remote health clinics at Canteen Creek, Numbulwar, Kaltukatjara and Maningrida.

## Improving Education

Madam Speaker, education adds to a person’s quality of life and improves their prospects.

The 2013 Budget continues to support improved educational outcomes for all Territory students, regardless of where they live. The Government is ensuring that schools have the resources to make sure they can focus on teaching. This includes reforms that start to align teacher to student ratios across all stages of schooling with practices in other jurisdictions and more emphasis on the importance of early years schooling.

The 2013 Budget includes additional funding of $6.2 million to help meet the costs to government and non-government schools arising from utility tariff increases.

This Budget helps families with the cost of schooling by doubling the value of school vouchers from $75 per student to $150 per student. These vouchers can be used to assist parents with expenses such as school uniforms, textbooks and excursions.

The 2013 Budget is investing in school infrastructure across the Territory, providing additional classrooms and facilities and new services to support special needs students. This includes $43.2 million for repairs and maintenance in schools across the Territory and $11.4 million for minor new works. The 2013 Budget also increases support to non-government schools in the form of $2.5 million in additional funding provided across non-government schools under a new funding model to meet rising costs of increased school enrolments.

These investments are responsible and driven by a determination to provide action when our fiscally irresponsible predecessors did not.

## Transport

Enhancing the road network and connecting the Territory through transport investment is a key commitment of the Giles Government. The 2013 Budget delivers $287 million for Territory roads and national highways, including $94.9 million for repairs and maintenance. These investments will be of enormous benefit to many Territorians, and complement our commitment to investing in our regions.

Specific projects include:

* + $29.6 million to continue stream crossing upgrades at Goyder River and Badalngarrmirri (Donydji) River, and targeted pavement upgrades on the Central Arnhem Highway;
	+ $5 million to upgrade the Charlotte River crossing on Fog Bay Road, including construction of a new bridge and associated approaches and drainage works;
	+ $5 million grant to the City of Darwin for the duplication of Lee Point Road;
	+ $5 million for continuation of the upgrade and seal of targeted sections on Tanami Road; and
	+ $16 million of the Territory’s $33 million contribution towards the duplication of Tiger Brennan Drive from Berrimah to Darwin City.

In addition to the investment in roads, the 2013 Budget includes improvements to public bus services in Darwin and Alice Springs through:

* + $1.1 million for new services to the suburbs of Lyons, Muirhead, Rosebery, Bellamack, Zuccoli and Kilgariff;
	+ $0.2 million for an additional special needs student transport bus in Alice Springs;
	+ $0.1 million for free wi-fi in buses and at interchanges;
* $0.95 million to upgrade bus stops in Alice Springs, including lighting and wheelchair-compliant slabs and seats; and
* $1 million towards the development of a new ticketing system on the Darwin bus service.

Other transport initiatives include:

* an additional $4.5 million over four years for the DriveSafe NT Remote Indigenous Driver Education and Licensing Program;
* $0.25 million per annum for four years for driver training courses and $0.15 million ongoing for Motorcyclist Education, Training and Licensing courses;
* $1.1 million for motor vehicle registries to meet growth in demand; and
* $0.3 million ongoing from 2012-13 for marine safety.

## Regional Development

Madam Speaker, the Giles Government has continually stated that the Berrimah Line is now gone. We are committed to improving economic opportunities in our smaller communities. This is not about the Labor way of handing out more money for no return, this is about encouraging economic opportunities so that communities can grow and be sustainable.

We are examining ways to improve local government provision in the regions, but in the interim the 2013 Budget includes an additional $5 million to increase operational funding to shire councils to $25.6 million per annum. This is the first step in assisting shires to achieve financial sustainability.

This injection is in addition to the regional roads repairs and maintenance package I announced earlier. Our Government is committed to improving services and facilities in the bush to reduce Indigenous disadvantage and, in partnership with the Commonwealth, the 2013 Budget delivers $188.6 million under the $3.5 billion 10-year Stronger Futures package.

The Stronger Futures package includes:

* $20.5 million for Municipal Essential Services to manage the provision of essential community services to homelands;
* $42.1 million for schooling to support remote education disadvantages and improve Indigenous education outcomes;
* $40.3 million to support continued improvements in community safety in remote communities, particularly through remote policing, infrastructure and improved drug enforcement; and
* $13.6 million for child, youth, family and community wellbeing, which aims to improve the safety and wellbeing of children, youth and families by supporting child protection systems, early intervention and targeted support services.

## Territory Lifestyle

Madam Speaker, the Giles Government is proud of the Territory lifestyle and the 2013 Budget delivers $221 million with boosts to sport and recreational opportunities, arts and culture, protecting our unique Territory environment and encouraging the sustainable use of resources. This enhances the great Territory lifestyle that so many Territorians enjoy.

The 2013 Budget includes increased opportunities and support for anglers across the Territory, including;

* + $0.55 million for the sustainable management of the recreational fishing sector; and
	+ $0.3 million to implement a Recreational Fishing Development Plan, including fishing surveys, and investigating the potential for a new boat ramp at Shady Camp as well as suburban-based boat ramps.

The 2013 Budget will also deliver on our election commitment to buy back commercial fishing licences for Chambers, Finke, Adams and Fog bays, boosting access for recreational anglers and establishing a working balance between commercial and amateur anglers.

We will allow greater access to our parks, rivers and oceans to camp, fish and hunt.

In addition to fulfilling election commitments to upgrade ANZAC oval, the Alice Springs Go Kart facility, Satellite City and Jingili BMX facilities, and the Alice Springs Golf Club, the 2013 Budget provides:

* + $5.3 million to resurface the track and upgrade concrete barriers at Hidden Valley Motor Sports Complex; and
	+ $0.5 million for upgrades to the Alice Springs drag strip to support hosting national and regional motor sporting events.

It is important that Territory kids are active, and to support this, the 2013 Budget includes the $4 million Sport Voucher Scheme, to ensure all young Territorians have access to sporting activities, along with an additional $1.75 million for grants to peak sporting bodies.

The Giles Government delivers major sporting and entertainment events for Territorians that support the Territory’s economy and positioning as a visitor destination, with $8.22 million including the V8 Supercars, Australian Superbikes, AFL matches, the Finke Desert Race, BASSINTHEGRASS and the Imparja Cup cricket carnival in Alice Springs.

The 2013 Budget delivers enhanced arts and cultural experiences including additional support of $0.8 million for the Defence of Darwin experience and new signage for the WWII Strauss Airfield Precinct.

Protecting the environment is an important part of the Territory’s lifestyle. The 2013 Budget provides additional funding of $0.5 million for weed management extension services across regional Northern Territory to assist pastoralists in controlling weed incursions and

infestations, and $0.2 million for the Keep Australia Beautiful Council of the Northern Territory, to support Territory Tidy Towns and annual community forum programs.

Madam Speaker, these and many other initiatives enhance Territorians’ enjoyment of our great Territory lifestyle.

## Conclusion

Madam Speaker, the 2013 Budget is a responsible budget. In stark contrast to the mismanagement of government finances by the former Labor Treasurer, we have made responsible decisions. We have taken responsible action.

The 2013 Budget maintains our commitment to reducing Labor’s massive debt while supporting Territorians and Territory businesses with targeted initiatives.

It promotes our economy and supports diversifying our economic base. It will make our communities safer and more secure.

It invests in our people in our capital city, our towns and in the bush.

It provides what is most needed here and now in the Territory – Responsible Action.

The Territory’s economy is strong and we are laying the foundation for a prosperous future. I commend the 2013 Budget to the House.

## Part 2

Appropriation Bill

Serial 26

Appropriation (2013-2014) Bill 2013 Mr Tollner

A BILL FOR AN ACT

to authorise amounts to be paid from the Central Holding Authority for the financial year ending 30 June 2014

NORTHERN TERRITORY OF AUSTRALIA

APPROPRIATION (2013-2014) ACT 2013

Act No. [ ] of 2013

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NORTHERN TERRITORY OF AUSTRALIA

Act No. [ ] of 2013

An Act to authorise amounts to be paid from the Central Holding Authority for the financial year ending 30 June 2014

*[Assented to [ ] 2013] [Second reading [ ] 2013]*

The Legislative Assembly of the Northern Territory enacts as follows:

1. Short title

This Act may be cited as the *Appropriation (2013-2014) Act 2013*.

1. Appropriation

For the financial year ending 30 June 2014, the amounts specified in the Schedule totalling

$4 687 090 000 are authorised to be paid from the Central Holding Authority to the Purposes specified in the Schedule.

1. Expiry

This Act expires on 1 July 2014.

### SCHEDULE

Purposes Amounts

|  |  |
| --- | --- |
| AUDITOR-GENERAL’S OFFICEOutput | $0003 123 |
| Capital Commonwealth |  |
| NORTHERN TERRITORY ELECTORAL COMMISSIONOutput | 1 446 |
| Capital Commonwealth |  |
| OMBUDSMAN’S OFFICEOutput | 1 897 |
| Capital Commonwealth |  |
| DEPARTMENT OF THE CHIEF MINISTEROutput | 40 137 |
| Capital | 395 |
| Commonwealth | 6 900 |
| DEPARTMENT OF THE LEGISLATIVE ASSEMBLYOutput | 23 051 |
| Capital Commonwealth | 41 |
| NORTHERN TERRITORY POLICE, FIRE AND EMERGENCY SERVICESOutput | 306 521 |
| Capital | 10 843 |
| Commonwealth | 23 120 |
| DEPARTMENT OF CORPORATE AND INFORMATION SERVICESOutput | 113 331 |
| Capital Commonwealth | 805 |
| DEPARTMENT OF TRANSPORTOutput | 160 940 |
| Capital | 41 129 |
| Commonwealth | 76 999 |
| DEPARTMENT OF TREASURY AND FINANCEOutput | 112 988 |
| Capital |  |

|  |  |
| --- | --- |
| Purposes | Amounts |
| DEPARTMENT OF BUSINESS | **$000** |
| Output | 118 728 |
| Capital | 1 000 |
| Commonwealth | 17 396 |
| DEPARTMENT OF THE ATTORNEY-GENERAL AND JUSTICEOutput | 66 987 |
| Capital Commonwealth |  |
| OFFICE OF THE COMMISSIONER FOR PUBLIC EMPLOYMENTOutput | 4 956 |
| Capital Commonwealth |  |
| DEPARTMENT OF CORRECTIONAL SERVICESOutput | 145 355 |
| Capital Commonwealth | 2 371 |
| DEPARTMENT OF HEALTHOutput | 975 292 |
| Capital | 1 229 |
| Commonwealth | 54 779 |
| DEPARTMENT OF EDUCATION AND CHILDREN’S SERVICESOutput | 560 059 |
| Capital Commonwealth | 212 263 |
| DEPARTMENT OF HOUSINGOutput | 59 679 |
| Capital | 9 923 |
| Commonwealth | 161 171 |
| DEPARTMENT OF LANDS, PLANNING AND THE ENVIRONMENTOutput | 64 145 |
| Capital Commonwealth | 329 |
| DEPARTMENT OF PRIMARY INDUSTRY AND FISHERIESOutput | 38 215 |
| CapitalCommonwealth | 251 |

|  |  |
| --- | --- |
| SCHEDULE – continued |  |
| Purposes | Amounts |
| DEPARTMENT OF MINES AND ENERGY | **$000** |
| Output CapitalCommonwealth | 25 918 |
| DEPARTMENT OF LAND RESOURCE MANAGEMENTOutput | 34 238 |
| Capital | 450 |
| Commonwealth | 553 |
| OFFICE OF CHILDREN AND FAMILIESOutput | 140 579 |
| Capital Commonwealth | 18 030 |
| DEPARTMENT OF REGIONAL DEVELOPMENT AND WOMEN’S POLICYOutput | 90 902 |
| Capital Commonwealth | 24 714 |
| DEPARTMENT OF LOCAL GOVERNMENTOutput | 48 573 |
| Capital Commonwealth |  |
| ABORIGINAL AREAS PROTECTION AUTHORITYOutput | 2 831 |
| Capital Commonwealth |  |
| TOURISM NTOutput | 50 682 |
| Capital Commonwealth |  |
| DEPARTMENT OF SPORT AND RECREATIONOutput | 46 815 |
| Capital Commonwealth |  |
| PARKS AND WILDLIFE COMMISSION OF THE NORTHERN TERRITORYOutput | 42 580 |
| Capital | 260 |

|  |  |
| --- | --- |
| Purposes | Amounts |
| DEPARTMENT OF ARTS AND MUSEUMS | **$000** |
| Output | 36 105 |
| Capital Commonwealth | 45 |
| DEPARTMENT OF INFRASTRUCTUREOutput | 9 218 |
| Capital | 170 063 |
| Commonwealth | 71 346 |
| CENTRAL HOLDING AUTHORITYTreasurer’s Advance | 30 000 |
| Interest, Taxes and Administration | 206 516 |
| Employee Entitlements | 218 878 |
| TOTAL APPROPRIATIONS | 4 687 090 |
| Output | 3 325 291 |
| Capital | 239 134 |
| Commonwealth | 667 271 |
| Treasurer’s Advance | 30 000 |
| Interest, Taxes and Administration | 206 516 |
| Employee Entitlements | 218 878 |