

**Barton Deakin Brief: Northern Territory Budget 2014-15**

**13 May 2014**

Northern Territory Treasurer, the Hon David Tollner MLA, has delivered the Country Liberal Party Government's [2014 Budget](#).

The 2014-15 fiscal balance is a deficit of \$723 million. The Government aims to significantly reduce this deficit to \$39 million in 2017-18.

Net debt sits at \$4.1 billion, which is an increase from \$3.4 billion in last year's Budget. Net debt is expected to rise slightly to \$4.16 billion by 2017-18.

The Northern Territory Government has stated that the delay of the Darwin Correctional Precinct has contributed to the higher than forecast deficit and net debt. The Precinct will open mid-year.

Economic growth is expected to increase to 6%, and unemployment to decrease to 4%, in 2014-15. Based on these figures, the Northern Territory will continue to rival Western Australia as the state or territory with the highest growth and strongest employment.

Revenue and expenses are both expected to grow over the forward estimates. Operating expenses are predicted to grow by 1.8%, while revenue is expected to increase by 2.4%.

Private investment in the Territory is predicted to remain at historical highs.

## **Budget highlights**

### *Education*

The 2014 Budget allocates an extra \$26.3 million for education, taking Territory education spending to \$870.7 million.

Some areas of spending include:

- \$126 million over four years for priority school infrastructure including: \$37 million for a pre-school and primary school in Zuccoli; \$20 million for a new special school in Bellamack and \$10 million for special school infrastructure in the Northern Suburbs; \$11.6 million for a new NT Open Education Centre at Darwin High School; and \$5.2 million to increase capacity in remote schools.
- \$40.5 million to construct boarding facilities to provide improved access to secondary education for rural and remote students.
- \$17 million to support greater school autonomy.



### *Mining*

The Budget outlines the Territory Government's desire to encourage mining growth through:

- A new program called Creating Opportunity for Resource Exploration (CORE), which has been allocated \$23.8 million over four years. Under the program the Northern Territory Government will cover 50% of exploration costs in return for access to exploration results. The Government will use this data to compile a geological survey used to attract investors.
- An \$8 million program spanning four years will assess the Territory's shale gas potential.

### *Transport*

Budget 2014 commits \$408.1 million towards roads and transport in the Territory, including:

- \$30 million towards the upgrade of strategic economic development roads.
- Joint Territory and Commonwealth Government investment of \$7.3 million to improve Outback Way.
- An \$8 million major investment in rural arterial roads.
- \$5 million on urban arterial roads.
- \$4 million on rural secondary roads.
- \$2.5 million to significantly upgrade the Canteen Creek Airstrip.
- \$5 million towards a local road traffic management program.
- \$1 million for cycle path upgrades.

### *Tourism*

Tourism is the Northern Territory's largest employing industry, providing 16,000 direct and indirect jobs or 13 per cent of Territory employment.

The 2013 Budget increased Tourism NT's allocation by \$8 million. The 2014 Budget will see funding maintained. Savings will continue to be realised as a result of licensing [Territory Discoveries](#) to a private sector provider.

### *Land for developments*

The 2014 Budget supports the development of two new residential suburbs around Berrimah Farm and Palmerston, as well as the release of commercial land. The Budget facilitates:

- \$44.9 million investment to accelerate new residential suburbs to support the construction of 6,500 new homes. This will include the creation of a new suburb, Palmerston North, on 200 hectares near the new Palmerston Regional Hospital. It will also include the revitalisation of Berrimah Farm into a major urban development, as well as fast-tracking land releases in Palmerston East.
- More residential land to be released across the Northern Territory.
- \$51.1 million to continue to support the release of commercial land.
- \$11.1 million set aside for the Darwin Business Park precinct expansion.
- Funding for the next stage of the Muramats Road industrial area.



### *Business assistance*

The Northern Territory Government will invest in assisting businesses by:

- Allocating \$450,000 per annum over three years to a Red Tape Abolition Squad, to be formed in the Department of Business. The squad will work with Territory businesses to identify red tape reduction priorities.
- Providing \$1.85 million to continue to provide advice and licence information to businesses.
- Investigate a red tape reduction day in the Legislative Assembly.
- Form a partnership with the Commonwealth and Local Governments for red tape abolition.

### *Family support*

The 2014 Budget sees increased support for families with children through:

- \$5.9 million for enhanced child care subsidies. This includes an additional \$1.7 million to expand the scheme to include family day care, and to increase the subsidy by 10%.
- \$7.9 million to increase the Sports Voucher annual payment from \$75 to \$200 per child. Eligibility will be expanded to include swimming lessons for children under five who are not yet in school, as well as activities such as dance and music and other cultural pursuits. More than 20,000 children redeemed the vouchers last year.
- \$6.6 million to continue the Back to School payments to provide \$150 per student.

### *Major events*

Budget 2014 sees continued assistance to attract major sporting events including: \$2.187 million for the V8 Supercars Championship; \$1 million for NRL premiership and pre-season games; and \$1 million to bring AFL matches to the Territory.

### *Other announcements*

- \$59.9 million for the continuation of government subsidies for residential and small business electricity customers. The subsidy provides an average bill reduction of \$176 per quarter.
- A Food Industry Development Group will be established at a cost of \$1 million over two years, to drive economic agricultural development.

## **Further information**

Further detailed information on the 2014 Northern Territory Budget can be found online:

- Full transcript of the Treasurer's [Budget Speech](#).
- The Treasurer's Budget [media release](#).
- List of [Budget Papers](#) for download.

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