

**Barton Deakin Brief: Northern Territory Budget 2015-16**

**28 April 2015**

Northern Territory Treasurer, the Hon David Tollner MLA, has delivered the Country Liberal Party Government's 2015 Budget.

The 2015-16 Financial Year will see a fiscal deficit of \$285 million. The Government aims to significantly reduce this deficit over coming years to achieve a surplus of \$9 million by 2017-18.

Net debt is expected to be \$2.6 billion, remaining around this level over the forward estimates. Debt has significantly reduced since the 2014-15 Budget, although this is largely as a result of the accounting effect of bringing the Motor Accident Compensation Scheme into general government.

Economic growth in the Northern Territory is expected to ease from the 6.5% high in 2013-14. Over the next three years, the Territory's economy is expected to grow by 4.5% a year, before growth slows to 3.0% in 2017-18. Territory growth remains well above the national average of around 2.5%.

Revenue is expected to drop and then rise again over the forward estimates. Revenue for 2014-15 is expected to be \$6.1 billion, falling to \$5.8 billion in 2015-16 and rising slightly over subsequent years. Expenses are expected to rise slightly over the forward estimates from \$5.5 billion in 2014-15, to \$5.6 billion in 2015-16 and \$5.7 billion in 2016-17.

## **Budget highlights**

### *Infrastructure*

The Northern Territory Government's Capital Works Program for 2015-16 will be \$1.42 billion, providing an increase across all functional categories.

Roads and transport infrastructure (\$506 million):

- Continued spending on large multi-year projects, including six priority projects on the regional road network as part of the Regional Roads Productivity Package;
- Continued duplication of Tiger Brennan Drive; and
- Strategic Economic Development Roads projects including \$19 million for Port Keats Road and \$5.1 million for the Tanami Road.

Housing infrastructure (\$265 million):

- \$147 million will be spent on building new, and upgrading existing, houses in remote communities; and
- \$62.5 million to rebuild and repair community and government employee housing damaged in cyclones Lam and Nathan.



Education infrastructure (\$119 million):

- \$119.3 million to construct two new schools for children with special needs;
- Repairs to schools damaged in cyclones Lam and Nathan; and
- School upgrades and expansions.

Health infrastructure (\$195 million):

- Major construction works for the Palmerston Regional Hospital to commence; and
- Comprehensive refurbishment of Royal Darwin Hospital.

From the sale of the Territory Insurance Office (TIO), the Government has allocated \$200 million to projects that form part of the Building the Territory initiative. These projects will be progressed through the 2015-16 Capital Works Program. The remaining money raised from the sale of TIO will be invested in an Infrastructure Development Fund for future strategic economic projects.

### *Aboriginal Affairs*

Key Budget highlights include:

- Almost \$29 million for 10 remote health clinics;
- A new Community Champions Program to foster locally-led economic development projects in remote communities. Funding of \$18 million has been allocated over three years;
- A \$3.25 million per year for a Community Champions grants program;
- An additional \$9 million over three years to connect 15 remote communities to mobile and broadband services, enabling enhanced health and education services;
- \$6 million over three years to establish the Business in the Bush program to support Indigenous business start-ups; and
- \$1 million over two years for a land suitability team to accelerate the investigation of the agricultural potential of regions near priority Indigenous communities.

The Budget also includes \$2.5 million over five years, beginning in 2015-16, to implement the Indigenous Employment Career Development Strategy, which will underpin the Government's aim to double Indigenous representation in the public service by 2020, from 8% to 16%.

### *Community Safety*

Budget highlights include:

- \$8.7 million as part of the Government's commitment to provide an additional 120 police officers across the Territory;
- Funds to support the Domestic and Family Violence Reduction Strategy;
- \$6.6 million to continue to provide low-security prisoner work camps;
- \$2 million to recruit and support an additional 13 Aboriginal Community Police Officers;
- \$2 million for youth boot camps;
- \$1.1 million to increase safety and security across the bus network; and
- \$1 million to replace the current police case management system with a world-class policing, investigation and case management system.



## *Education and Training*

Budget highlights include:

- A further \$57.5 million to meet centralised school costs for schools in the Global School Budget pool;
- An additional \$23 million over four years to support the implementation of the Global School Budget reforms, increasing the transition package to \$40 million;
- \$7.4 million to continue the Sport Voucher scheme;
- \$6.6 million to continue providing Back to School vouchers;
- \$6 million to continue the childhood services subsidy for day care services; and
- \$2 million to support the Independent Public Schools initiative.

## *Health*

Key Budget highlights include:

- \$40 million for the staged redevelopment of Royal Darwin Hospital;
- \$34.2 million to continue remediation works and other upgrades at Alice Springs Hospital, including a new Commonwealth-funded teaching and training facility;
- \$28.4 million across the Territory for Mandatory Alcohol Treatment;
- \$25 million (including \$15 million on Commonwealth funding) for construction of the \$150 million Palmerston Regional Hospital, with construction works to commence in 2015-16;
- \$10 million for detailed planning and market testing for the new core clinical system;
- \$7.6 million to relocate the ambulance centre out of the flood zone in Katherine;
- Upgrades of fire systems across several hospitals; and
- \$3 million additional funding for mental health services.

## *Lifestyle*

Budget highlights include:

- \$20 million to expand facilities at Darwin's Rugby League venue, Richardson Park;
- \$18.3 million, including external funding, to redevelop the Chan Building in Darwin's CBD into a dedicated visual arts gallery;
- \$10.7 million to upgrade Casuarina Coastal Reserve;
- \$10.4 million to upgrade and redesign facilities and Litchfield National Park;
- \$8 million towards a regional tennis centre at Marrara;
- \$4.4 million to upgrade the Dundee Beach boat ramp; and
- Events to commemorate the 75<sup>th</sup> anniversary of the Japanese air attacks on the Top End.

## *Tourism*

Budget highlights include:

- \$16.3 million for domestic tourism marketing;
- \$11.9 million (including an additional \$5 million) for international tourism marketing;
- \$4.75 million for the Tourism Infrastructure Development Fund; and
- \$3 million for strategic tourism product initiatives that build on the Territory's strengths.



### *Other announcements*

- The Community Benefit Fund levy, currently applied to hotels at a rate of 10% of gaming machine profits, will now apply to casinos. The levy is expected to raise an additional \$7.8 million ongoing from 2015-16;
- The Senior, Pensioner and Carer stamp duty concession will increase from \$8,500 to \$10,000 from 28 April 2015. The concession is provided to seniors (aged 60 years and older) and Territory Pensioner and Carer Concession cardholders when purchasing a principal place of residence up to the value of \$750,000;
- The payroll tax exemption for apprentices and trainees under the Training for the Future scheme will be removed from 1 July 2015, with payroll tax receipts reinvested through direct assistance to employers.

### **Further information**

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

- The Treasurer's Budget Speech and the 2015 Budget Papers can be downloaded [here](#).
- Previous Budget Papers can be found [here](#).
- Barton Deakin's brief on the 2014-15 Northern Territory Budget can be accessed [here](#).

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