

Hawker Britton

Government Relations Strategy

Northern Territory 2017-18 Budget

May 2017

On 2 May 2017, the Northern Territory Treasurer, the Hon Nicole Manison MLA delivered the 2017-18 Budget. This is the first Budget handed down by the newly elected Gunner Labor Government.

The centrepiece of the Budget is large investment in infrastructure to create jobs for Territorians, including a \$1.75 billion infrastructure program for 2017-18. This funding includes \$350 million in stimulus packages to attract investment and create jobs.

The Treasurer's Speech is available [here](#).

The 2017-18 Northern Territory Budget is available in full [here](#).

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The Budget Outlook

In her speech, Treasurer Manison announced that the Budget invests heavily in jobs, cities, children and communities.

The Treasurer noted a decline in the construction industry – one of the largest employers in the NT – and slowdown in private investment had weighed on the Budget outlook.

The Treasurer also noted the recent announcement of a \$2 billion cut in GST revenue over four years is unprecedented in the history of the NT. The Treasurer noted cuts to GST revenue cut had increased the deficit for the 2017-18 Budget to \$1.3 billion and net debt to \$3.6 billion.

Economic Context

Operating Statement

	2016-17 Estimate	2017-18 Budget	For
	\$000	\$000	
INCOME			
Taxation revenue			
Grants and subsidies revenue			
Current	15		
Capital			
Appropriation			
Output	4 372	1 359	
Commonwealth			
Sales of goods and services	400	400	
Interest revenue			
Goods and services received free of charge	610	610	
Gain (+)/loss (-) on disposal of assets			
Other revenue			
TOTAL INCOME	5 397	2 369	
EXPENSES			
Employee expenses	2 594	1 367	
Administrative expenses			
Purchases of goods and services	2 187	386	
Repairs and maintenance	6	6	
Depreciation and amortisation	121	121	
Services free of charge	610	610	
Other administrative expenses			
Grants and subsidies expenses			
Current			
Capital			
Community service obligations			
Interest expenses			
TOTAL EXPENSES	5 518	2 490	
NET SURPLUS (+)/DEFICIT (-)	- 121	- 121	

Infrastructure and Economic Management

The 2017-18 Budget provides a \$1.75 billion infrastructure spend, which includes a \$250 million economic stimulus program across 2017-18 to 2018-19.

- \$1.75 billion allocated to infrastructure, which includes:
 - \$250 million across two years to provide economic stimulus packages which also includes funding for the Government's economic transformation plan
 - \$1.1 billion in 2017-18 for remote housing
 - \$297 million in funding for repairs and maintenance works.

- The 2017-18 Budget funded a down-payment on the following projects:
 - \$100 million in funding for the revitalisation of the Darwin central business district (CBD) project
 - \$100 million in funding for the construction of a ship lift facility and Marine Business Park

- \$1.5 million over three years for the establishment of a Defence and National Security Advocate, aimed at ensuring the Northern Territory's defence investment and presence continues to grow and is supported by a strong NT Defence Support Industry
 - \$20 million in funding for the revitalisation of the Alice Springs CBD project
 - Development of the Katherine Logistics and Agribusiness Hub; and
 - Development of Tennant Creek as a mining services centre. This will be delivered through assessment of facilities feasibility studies and common user mine processing locally.
- The Budget also committed funding to deliver Project Sea Dragon, the Territory's largest aquaculture project, in conjunction with the Commonwealth Government and the private sector. This includes \$57 million in upgrades to the Keep River Plains Road.
 - The Budget confirms the establishment of an industry advocate which will support local companies to engage with the Government around procurement. The new industry advocate will oversee the delivery of new procurement initiatives such as a 30 per cent loading for local firms and companies on government procurement projects. Companies who receive capital grants will also now be required to comply with the Government's *Buy Local* program guidelines.

Health

- \$36 million to support the commissioning of the \$170 million Palmerston Regional Hospital
- \$80.1 million in 2017-18 allocated to support the five year \$259 million Core Clinical Systems Renewal Program, overseen by the Department of Health
- \$39.9 million to upgrade health facilities across the Territory
- \$17.2 million to establish the Banned Drinker Register
- \$3 million to trial new partnerships with non-government organisations to provide support services for up to 200 people with mental illness.

Education

- \$56.4 million over four years to fund the Building Better Schools commitment, designed to invest in school infrastructure to provide for better schooling environments
- \$31 million from 2017-18 for additional school resourcing
- \$7.1 million to continue the Back to School payment scheme, assisting parents with back-to-school expenses
- \$6 million to continue early childhood care subsidies for long day care.

Training and Apprenticeship Support

- \$53.4 million, including Commonwealth funding, to fund registered training organisations to deliver skills and training programs to Territorians
- \$22.4 million in additional funding to support the training of apprentices across the Territory.

Tourism, Arts and Culture Infrastructure

- \$43 million in tourism funding to market the Territory
- \$13 million to the NT Major Events Company, to attract a higher calibre of events to the Territory
- \$8 million in additional funding to tourism marketing.

Roads

\$733.5 million to upgrade roads across the Territory, with \$78 million in partnership with the Commonwealth, including:

- \$78 million to continue upgrading the Arnhem Highway along the Adelaide River floodplain
- \$57.4 million to continue upgrades on the Keep River Plains Road
- \$40.1 million to upgrade the Buntine Highway
- \$31.25 to upgrade the Plenty Highway
- \$25 million to upgrade the Tablelands Highway
- \$12.5 million for the Barkly Stock.

Community Safety

- \$44.9 million across four years for a new police information management system
- \$18.3 million to improve the youth justice diversion system
- \$6.2 million for the Domestic and Family Violence Reduction Strategy
- \$5 million in 2017-18 and \$3.1 million from 2018-19 for the justice and correctional services system.

City Deals

- \$20 million for City Deals, which partner cities with the Commonwealth, to redevelop and revitalise infrastructure in the Alice Springs CBD
- \$6.2 for sporting infrastructure in Alice Springs.

Housing

- \$140.4 million over five years to implement the Territory Government Housing Strategy
- \$14.2 million to continue the Real Housing for Growth plan
- \$7.9 million for the Home Owner Grants for Territory home owner-occupiers
- Continuing the First Home Owner Discount to provide stamp duty assistance up to \$500,000 in funding for expressions of interest and market testing for the delivery of retired accommodation in and around Darwin. The Government is encouraging private investment.

Further information

For further information, contact your NT Hawker Britton consultant [Claire March](#).