

Northern Territory 2018-19 Budget

May 2018

On 1 May 2018, the Northern Territory (NT) Treasurer, the Hon Nicole Manison MLA delivered the 2018-19 Budget. This is the second Budget handed down by the Gunner Labor Government.

The focus of the 2018-19 Budget is investment to create more jobs, attract more people to the Territory and turn around disadvantage affecting indigenous Territorians living in remote and regional communities.

The Treasurer's speech and the full 2018-19 NT Budget is available [here](#).

Contents

The budget outlook.....	1
Economic context	2
Infrastructure and economic management.....	2
<i>Local employment</i>	3
<i>Resources</i>	3
<i>Health</i>	3
<i>Education</i>	4
<i>Roads</i>	4
<i>Community safety</i>	4
<i>City Deals</i>	5
<i>Housing</i>	5
<i>Tourism and lifestyle</i>	5

The budget outlook

Treasurer Manison outlined the 2018-19 Budget delivers targeted investment to create more jobs, attract more people to the Territory, and tackle generational change in disadvantage.

In handing down the Budget, the Treasurer acknowledged the current economic and fiscal challenges contributing to a tough economic outlook for the Territory. The Treasurer noted reduction in GST revenue as having a significant impact on the Territory's operating Budget - despite a recent \$260 million GST top-up contribution from the Commonwealth Government - and commitment to resolve the NT's GST issues.

The Budget included a net operating deficit of \$603 million, a \$1.2 billion non financial public sector deficit, and net debt of \$4.5 billion.

Economic context

Operating Statement

	2017-18 Estimate	2018-19 Budget
	\$'000	\$'000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current		
Capital		
Appropriation:		
Output	3 077	3 060
Commonwealth		
Sales of goods and services	1 830	1 830
Interest revenue		
Goods and services received free of charge	278	278
Gain (+)/loss (-) on disposal of assets		
Other revenue		
TOTAL INCOME	5 185	5 168
EXPENSES		
Employee expenses	1 000	1 004
Administrative expenses		
Purchases of goods and services	3 905	3 884
Repairs and maintenance	2	2
Depreciation and amortisation		
Services free of charge	278	278
Other administrative expenses		
Grants and subsidies expenses		
Current		
Capital		
Community service obligations		
Interest expenses		
TOTAL EXPENSES	5 185	5 168
NET SURPLUS (+)/DEFICIT (-)		

Infrastructure and economic management

The Budget allocates a \$1.45 billion of funding towards infrastructure including:

- \$1.1 billion towards a 10-year *Remote Housing Investment Package* (a contribution from the Commonwealth Government).
- \$626.4 million to upgrade the Territory's roads.
- \$243.2 million for community safety including \$70 million to construct a fit-for-purpose youth justice training centre in Darwin.

- \$210.4 million for economic and community infrastructure with \$66 million to extend art galleries in Arnhem, Katherine and Tennant Creek to create a National Iconic Arts Trail.
- \$136.6 million to enhance Territory's education infrastructure including \$18.1 million to continue the redevelopment and expansion of Darwin High School and \$14.9 million for a new multipurpose hall at Darwin High School.
- \$79.5 million for health infrastructure including \$17.3 million for various upgrades Royal Darwin Hospital, \$9.8 million to continue work at Nightcliff Renal Facility and \$1.2 million for renal-ready rooms in remote communities.

Local employment

The Budget provides incentives to business to employ Territorians through:

- A two-year payroll tax rebate for Territory businesses that either employs a person living and working in the Territory or replaces an existing employee who was not previously a resident of the Territory, with a Territory resident.
- A royalty deduction for the cost of buying, renting or building accommodation in the Territory for employees who live in the Territory.
- A new royalty deduction for the cost of building infrastructure with economic or social benefit to Territory communities near to and affected by mine's operations.
- Ceasing royalty deductions for FIFO-related travel and ancillary costs for employees who do not live in the Territory.

Resources

The Budget includes \$26 million over four years for the new *Resourcing the Territory* program to stimulate resource exploration and investment through:

- Incentives for selected industry exploration programs in underexplored areas, funding 50 per cent (up to \$135,000) of greenfields exploration.
- Developing critical geoscience information to encourage exploration investment and highlight mineral and petroleum potential in new areas.
- Promoting the Territory's resource potential and attracting investment into Territory exploration and development projects.
- An online database of exploration drillholes and geochemical assay results of the past 120 years.
- Developing Tennant creek as a mining hub by assessing resource potential and stimulating exploration.

Health

The Budget allocates \$1.56 billion towards health including:

- \$17.3 million for various upgrades Royal Darwin Hospital.
- \$35.32 million over five years to expand access to cancer services.
- \$22.8 million to support the operation of the new Palmerston Regional Hospital.
- \$15.5 million to provide assessment, withdrawal and specialised alcohol treatment services.

- \$2 million to support the delivery of the *Sustained Nurse Home Visiting for Vulnerable Families* program.
- \$1.2 million to expand the range of maternity services from the commencement of Palmerston Regional Hospital.
- \$9.8 million to continue work at Nightcliff Renal Facility and \$1.2 million for renal-ready rooms in remote communities.

Education

The Budget allocates \$1.23 billion in funding towards education and training, including:

- \$506 million to ensure schools are properly resourced.
- \$505 million to improve Aboriginal student outcomes through the *Indigenous Education Strategy*.
- \$39.5 million over four years to implement a new school resourcing model in response to the recommendations of the independent review of global school budgets.
- \$14.1 million for the *Building Better Schools* initiative which will provide \$300,000 to 45 schools to refurbish and upgrade 45 schools under round 2 of the initiative.
- \$8 million to continue early intervention services.
- \$7 million to provide nationally accredited vocational education and training (VET) and support for employment pathways.
- \$2.1 million to improve educational services for young people in detention.

Roads

The Budget provides for \$626.4 million to upgrade the Territory's roads, in partnership with the Commonwealth including:

- \$76.3 million to upgrade the Arnhem Highway on the Adelaide River Floodplain.
- \$49.4 million to upgrade the Keep River Plains Road to support *Project Sea Dragon*.

Community safety

The Budget allocates \$1.57 billion of funding to support law and order, build safer communities and overhaul the Territory's child protection and youth justice system including:

- \$45 million in 2019-20 to revitalise Nightcliff's John Stokes Square.
- \$28.2 million to fast-track the construction of the 24-hour Palmerston police station.
- \$10 million in 2018-19, increasing to \$15.8 million from 2019-20 to recruit 120 additional police.
- \$70 million to construct a fit-for-purpose youth justice training centre in Darwin.
- \$66.95 million to develop and implement a new information management platform to improve coordination across services working with families and enable risks to be identified earlier.
- \$22.95 million to implement a new staffing and operating model for youth detention facilities.

- \$12.9 million to support local communities through the *Regional Youth Services Fund* to provide youth programs.
- \$11.4 million to establish coordination hubs in the 17 child and family centres.
- \$1.4 million to engage with stakeholders and plan and manage the design and delivery of the youth justice infrastructure.
- \$9.98 million towards building community resilience to bushfire including an additional \$2 million to support the volunteer bushfire brigade, mitigation programs, compliance activities and community engagement.
- \$4.5 million to construct a new Bushfires NT response centre.

City Deals

The Budget dedicates funding to progress the City Deals:

- \$66 million including an underground carpark in Darwin and revitalising Alice Springs CBD.

Housing

The Budget continues to implement the Territory Government's 10-year \$1.1 billion *Remote Housing Package* through allocation of:

- \$96.9 million to build new fit-for-purpose homes.
- \$20 million for remote public housing repairs and maintenance.
- \$61 million for new and upgraded urban public housing.

Tourism and lifestyle

The Budget allocates \$103.6 million in funding over two years to deliver the *Turbocharging Tourism* stimulus package, including \$26.6 million to boost marketing and promotion, \$24.5 million to enhance festivals, events and other experiences, and \$52 million for tourism infrastructure which includes:

- \$11.9 million to build a new adventure cycling track linking the Alice Springs Desert Park to Glen Helen in West MacDonnell National Park.
- \$9.8 million to open a new adventure hub in East Reynolds area of Litchfield National Park.
- \$5.6 million to improve facilities and establish a new multipurpose visitor and event centre at the George Brown Darwin Botanic Gardens.
- \$5.6 million to construct a five-day walking track in Central Australia.
- \$3 million to boost the Hermannsburg historical precinct as part of a *Five Point Visitor Experience Action Plan*.
- \$2.4 million over two years to attract new major private investment projects to the territory.

Further information

To access Hawker Britton's Occasional Paper on NT Labor's Election Policies, click [here](#).

Hawker Britton's Occasional Paper on the 2017-18 NT Budget is available [here](#).

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