

BUDGET 2019-20

BUDGET OVERVIEW

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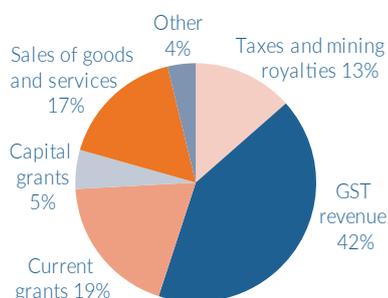
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Acknowledgements

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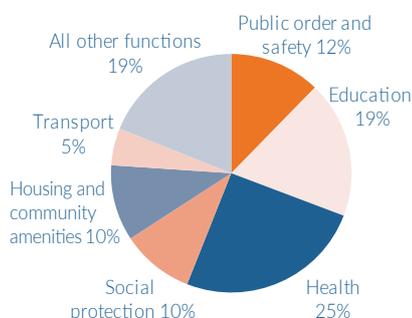
Revenue

Territory revenue is expected to be \$6.6 billion for the non financial public sector in 2019-20.



Expenses

In 2019-20, Territory operating expenses for the non financial public sector are estimated to be \$7.2 billion. The key functions of health, education, and public order and safety comprise 56 per cent of total expenses and are consistent with the 2018-19 estimate.



Total infrastructure payments

	2019-20	
	Program	Cash
	\$M	\$M
Budget sector		
Capital works	1 996	803
Grants		148
Repairs and maintenance		201
Infrastructure-related		7
Total		1 159
Government owned corporations		289
Total infrastructure payments		1 448

Fiscal outlook

The 2019 Budget reflects an improvement in the Territory's projected fiscal position and outlook when compared to the 2018 Budget. It incorporates significant savings and revenue measures approved through the root and branch review and government's response to the recommendations of the Fiscal Strategy Panel's final report: *A plan for budget repair*. Updated fiscal projections include:

- a general government net operating deficit of \$632 million in 2019-20, declining to a deficit of \$383 million in 2022-23, an improvement, on average, of \$335 million per annum compared to the 2018 Budget
- a non financial public sector fiscal balance deficit of \$1.1 billion in 2019-20, reducing to a deficit of \$530 million by 2022-23, an improvement, on average, of \$166 million per annum compared to the 2018 Budget
- infrastructure investment of \$1.45 billion in 2019-20 with major projects including remote housing and upgrades to the Territory's road network
- GST revenue of \$3015 million in 2019-20, including a Commonwealth financial assistance payment of \$252 million, \$683 million less than projected in the 2016 Pre Election Fiscal Outlook (the Territory's relativity remaining historically low)
- new Australian accounting standard AASB 16 Leases that, despite no material change to the Territory's circumstances, increases the Territory's reported net debt by \$871 million in 2019-20, reducing over the forward estimates to an increase of \$587 million in 2022-23
- net debt at the non financial sector to increase to \$6.2 billion in 2019-20, rising to \$8 billion in 2022-23, including the effect of the new accounting standard for leases
- the net debt to revenue ratio projected to rise from 93 per cent in 2019-20 to 114 per cent in 2022-23.

Excluding the impact of the new Australian accounting standard, the underlying net debt in the non financial public sector is forecast at \$5.3 billion in 2019-20, a reduction of \$212 million compared to the 2018 Budget. Similarly, the underlying net debt to revenue ratio is projected to be 80 per cent in 2019-20, compared to 91 per cent forecast in the 2018 Budget.

	2018-19	2019-20	2020-21	2021-22	2022-23
	Estimate	Budget	Forward estimate		
	\$M	\$M	\$M	\$M	\$M
General government sector					
Net operating balance	- 727	- 632	- 615	- 512	- 383
Non financial public sector					
Fiscal balance	- 1 263	- 1 054	- 859	- 604	- 530
Net debt	4 191	6 206	6 988	7 524	8 021
Net debt to revenue (%)	63	93	105	109	114

Budget repair

On 16 April 2019, the Territory Government released its Plan to Fix the Budget, comprising immediate savings and revenue measures identified through the root and branch review of government programs and medium to long-term structural reforms to the public sector, in the response to the Fiscal Strategy Panel's report.

The plan is underpinned by a new fiscal strategy with the twin objectives of supporting the economy in the short term and providing a pathway back to a balanced budget and reduced debt levels over the medium term, following significant reductions in the Territory's GST revenue.

Root and branch review

The root and branch review identified programs, grants and initiatives that could be ceased, rationalised or delivered more efficiently. The outcome of the review is summarised below.

	2018-19 Estimate	2019-20 Budget	2020-21	2021-22	2022-23	Ongoing
	\$M	\$M	\$M	\$M	\$M	\$M
Whole of government efficiencies		38	84	114	138	138
Corporate efficiency savings	8	25	36	37	37	37
Program rationalisation savings		18	25	27	27	27
Workforce sustainability savings		9	10	11	12	12
Revenue measures		4	5	6	6	6
Subtotal	8	94	160	195	220	220
Less return to budget savings ¹	8	31	43	45	46	46
Total (net of return to budget savings)		63	117	150	174	174

¹ Return to budget savings – in some agencies, savings have been reinvested to assist returning to budget.

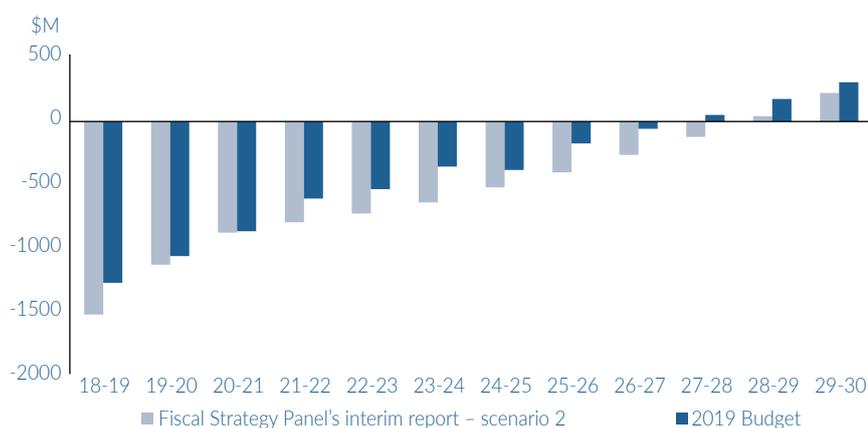
Medium-term budget repair

In response to structural changes in the Territory's fiscal position due to significant and unprecedented reductions in GST revenue, the Territory's largest revenue source, the Territory Government established the Fiscal Strategy Panel, chaired by John Langoulant, to develop a plan for budget repair.

The Fiscal Strategy Panel's *A plan for budget repair* provides a package of 76 interdependent recommendations to return the budget to balance through structural reforms to the Northern Territory Public Sector. The Territory Government has accepted 68 of the recommendations in full, two in part and a further four in principle.

The report provided a plan to reduce expenditure by \$11.2 billion over 10 years, in comparison to a business-as-usual approach, to return the budget to balance by 2028-29. Through reforms undertaken in the 2019 Budget and other non policy adjustments, the Territory is now projected to achieve a fiscal surplus in 2027-28.

Non financial public sector fiscal balance projections



Government's fiscal strategy

The 2019 Budget is underpinned by a new fiscal strategy based on the recommendations of the Fiscal Strategy Panel.

Key fiscal objectives:

- budget repair to return the budget to a sustainable position over the medium term
- support the Territory economy in the short term.

Fiscal strategy principles:

1. Sustainable service provision
 - limit Territory-funded expense growth
 - maintain a sustainable public service
 - achieve a general government net operating balance surplus.
2. Infrastructure for economic and community development
 - maintaining government assets
 - supporting the economy
 - restraining capital expenditure.
3. Competitive tax environment
 - encourage business activity
 - generate sufficient revenue to fund service delivery.
4. Prudent management of debt and liabilities
 - maintain or improve the Territory's credit rating
 - non financial public sector net debt to revenue ratio to return to long-term average of 50 per cent.
5. Commercial management of government owned corporations
 - strengthen commercial sustainability
 - increase accountability for financial and non-financial performance
 - reduce reliance on government support.

Minerals exploration

Investment by the Territory Government in its Resourcing the Territory initiative is helping stimulate minerals and petroleum exploration activity across the Territory.

In 2018, exploration activity in the Territory increased by 52.7 per cent to \$272.2 million, led by increasing exploration activity across both the minerals and petroleum sectors. This highlights the potential opportunities in the Territory's mining sector and development of new resources projects.

The 2019 Budget provides \$0.3 million to support establishing Tennant Creek as a mining and minerals services centre and \$4.3 million for selected upgrades on the Alice Springs to Halls Creek corridor, including upgrading the Tanami Road, which will support resource projects in the region.

NT Gas Strategy

A five-point NT Gas Strategy has been created to propel the Territory to be a world class hub for gas production, manufacturing and services by 2030. The strategy includes five targets:

- more LNG in Darwin and expand Darwin's LNG export hub
- grow the gas supply and service industry
- establish a gas manufacturing industry
- grow research, innovation and training capacity
- contribute to national energy security on the east coast.

The NT Gas Strategy will support the Territory's existing onshore and offshore gas projects, as well as the development of new gas fields onshore and offshore.

Economic outlook

Territory key economic indicators (%)

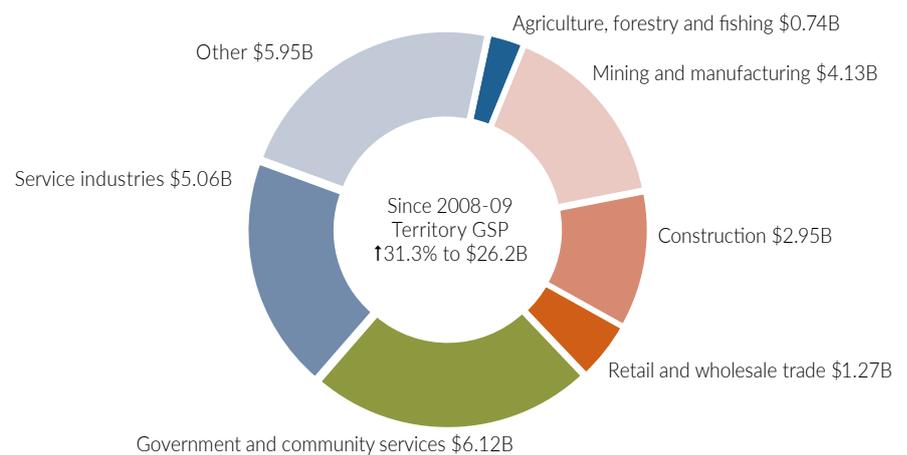
	2017-18a	2018-19e	2019-20f	2020-21f	2021-22f	2022-23f
Gross state product	1.7	- 0.2	6.3	4.1	2.9	2.5
State final demand	- 2.7	- 9.4	- 1.7	0.3	2.4	2.2
Population	- 0.1	- 0.7	0.2	0.6	0.7	0.8
Employment	- 1.2	- 1.6	0.0	0.7	0.9	1.0
Unemployment rate	4.2	4.7	4.6	4.5	4.5	4.4
Consumer price index	1.0	1.5	1.6	2.0	2.2	2.2
Wage price index	1.3	1.8	1.5	1.5	1.6	1.8

a: actual; e: estimate; f: forecast

Source: Department of Treasury and Finance, Australian Bureau of Statistics

The Territory economy has grown considerably over the last decade, supported by major projects and investment. Gross state product (GSP) grew by 31.3 per cent from \$20 billion in 2008-09 to \$26.2 billion in 2017-18, and population increased by about 21 300 (9.4 per cent) to over 247 300 people during this period.

Industry contributions to GSP, 2017-18



Source: ABS, Australian National Accounts: State Accounts, Cat. No. 5220.0

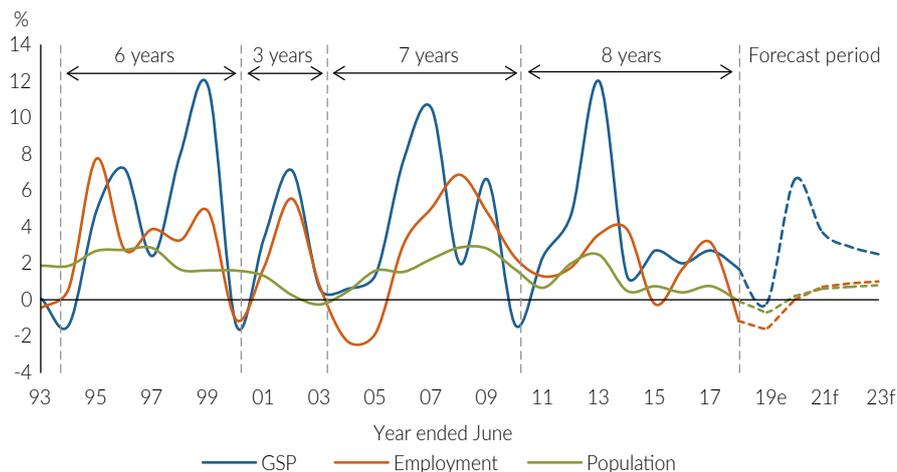
From 2019-20 there will be a recovery in GSP with forecast growth of 6.3 per cent and an average of 3.1 per cent per annum forecast over the outlook period. Over the outer years of the forecast period, the levels of exports and private investment are expected to stabilise, with GSP supported by moderate growth in household consumption and public investment. State final demand, which excludes net exports, is expected to continue to contract over the short term, reflecting declines in private investment and more moderate growth in household consumption.

Other key economic indicators are also subdued or in some cases declining over 2018-19, before gradually strengthening from 2019-20 over the outlook period.

Economic cycle

All economies experience cycles of growth and contraction, with the frequency, magnitude and length of time between periods of growth often linked to the size of the economy, structure, reliance on key industries, and vulnerability to external factors such as commodity prices and exchange rates. As a small open economy heavily reliant on resources and historically driven by major projects, the economic cycles in the Territory tend to be more pronounced than in other jurisdictions in Australia.

Year-on-year change in key indicators



Source: ABS, Australian National Accounts: State Accounts, Cat. No. 5220.0, Labour Force, Australia, Cat. No. 6202.0, Australian Demographic Statistics, Cat. No. 3101.0

The recent expansionary cycle (which peaked in 2012-13), was driven by the Ichthys LNG project, which had an unprecedented effect on the Territory economy. This impact will continue for the 40-year operational life of the project, albeit at a lower level compared to the construction phase, largely through exports of LNG and ongoing maintenance. ConocoPhillips is also considering a number of projects to extend the life of the ConocoPhillips LNG plant post 2023, when its current supply of gas is expected to be exhausted. The Barossa project is currently the leading candidate to provide backfill gas, with offshore development scheduled to begin in 2021-22.

A significant pipeline of major projects, yet to reach final investment decision status, presents upside potential to sustain new employment and economic activity across the Territory. There is also untapped potential for the Territory with undeveloped mineral and energy resources yet to be realised that could support the economy into the future.

Recognising the important role that private investment plays in the Territory economy, the Territory Government has delivered long-term strategies to help enable and support the private sector, such as the Economic Development Framework, 10-year Infrastructure Plan, Population Growth Strategy and establishing the Office of Investment Attraction. Government also continues to support the economy through a range of stimulus initiatives and strong public sector infrastructure investment.

Components of Territory population growth



NIM: Net interstate migration; NOM: net overseas migration; e: estimate; f: forecast
Source: Department of Treasury and Finance; ABS, Australian Demographic Statistics, Cat. No. 3101.0

Office of Investment Attraction

In response to *A plan for budget repair*, the Territory Government is establishing an Office of Investment Attraction to consolidate major projects, bringing together capacity and expertise across government, microeconomic reform and investment attraction functions.

This will improve the coordination of industry development and support, and reduce red, green and beige tape impacting the Territory's economic competitiveness.

A microeconomic reform roadmap with the key objective of making the Territory a globally competitive destination for capital investment, will be established, with industry consultation, to ensure Territory regulation is best practice.

Population strategy and action plan

In light of recent constrained population growth, the Territory Government has developed the 2018-2028 Northern Territory Population Growth Strategy. The strategy identifies the activities needed to attract and retain people in the Territory. The first action plan to complement the strategy is expected to be released by mid 2019.

As part of the strategy, a number of targeted incentives have been introduced by the Territory Government to encourage interstate workers and families to come to the Territory, including relocation payments for workers in high demand occupations and further incentives if they stay over the medium term. Home ownership assistance is also available for new Territory home purchasers.

Territory events and festivals

Turbo2

As part of the Turbo2 stimulus package, the 2019 Budget is delivering \$20 million over two years for community festivals and major events, including:

- \$12 million over two years for community festivals
- \$8 million over two years for major events.

Major events

A boost for several major events will position the Territory as a major events destination through:

- Parrtjima – A Festival in Light, as well as continuing support for spectacular light installations and performances at the Desert Park
- BASSINTHEGRASS is going to be bigger and better at its new home at Mindil Beach
- V8 supercars
- RedCentre Nats
- Darwin Festival.

The 2019 Budget continues to bring top class sporting events to the Territory, including \$1.7 million to host AFL premiership games and \$1 million to host NRL games.

Putting Territorians first

The 2019 Budget invests in our future by putting Territorians first.

Reducing the cost of living for families

The 2019 Budget continues to put downward pressure on the cost of living throughout the Territory by providing a range of subsidies, voucher and concession schemes, and grants, including:

- \$7.1 million to continue to deliver Back to School vouchers to support children and their families with the costs of schooling
- \$6 million to continue the early childhood services subsidy for long day care, three-year-old kindergarten and family day care services to assist parents and families with child care costs
- \$5.4 million to continue to deliver the sports voucher scheme, which includes Learn to Swim vouchers.

The annual \$150 per student Back to School voucher assists with paying back-to-school expenses such as uniforms, stationery, excursions, camps and elective activities.

The sports voucher scheme assists Territory families with the cost of getting involved in sport, active recreation and cultural activities, with every child living in the Territory, from preschool to year 12, who is enrolled in a Territory school or registered for home-schooling, eligible for the scheme.

Children living in an urban area are eligible to receive two \$100 sport vouchers each year for sport, recreation and cultural activities. In remote areas, the scheme is delivered through registered activity providers following consultation with communities by regional councils and other organisations.

Utilities support

The 2019 Budget provides \$92.5 million in Territory Government subsidies to keep the price of power in the Territory at some of the lowest levels in the country, saving families about \$1200 a year on power bills.



Homeowner assistance

The 2019 Budget provides \$16.6 million to continue to offer a suite of generous homeowner assistance:

- the BuildBonus grant offers the first 600 people to build a new home in the Territory with grants of \$20 000
- the First Home Owner Grant is available to first home buyers purchasing or constructing a new home
- the Territory Home Owner Discount provides a stamp duty concession of up to \$18 601 for buyers of new or established homes who have not recently owned a home in the Territory
- home renovation grants of up to \$10 000 for first home buyers to renovate and improve an established property
- a household goods grant of up to \$2000 for first home buyers of new homes.



Future skills vouchers

The 2019 Budget supports Territorians to upskill through the Future Skills Program:

- Future Skills vouchers of up to \$3000 for 700 Territorians to obtain micro-credentials and skills relevant to the needs of the changing workforce
- Future Proofing Training Infrastructure Fund to provide grants to registered training organisations and industry organisations to improve training infrastructure.

Valuing senior Territorians and helping concession holders

The NT Concession Scheme assists eligible Territorians with the cost of living. The NT Seniors Recognition Scheme recognises the valuable contribution of seniors and includes an annual payment of \$500 for travel, electricity or water. The 2019 Budget puts downward pressure on the cost of living through \$31.64 million to continue to deliver both schemes.

Recreational fishing

The 2019 Budget provides \$23.9 million, including \$9.7 million new funding in 2019-20, to continue to upgrade infrastructure across the Territory as part of a five-year \$50 million investment in recreational fishing. Projects in 2019 include:

- \$2 million towards artificial reefs and fish aggregation devices
- \$0.65 million for a recreational fishing survey
- \$0.4 million in recreational fishing grants
- \$0.3 million for the Darwin region fish stocking program.

Projects already completed as part of the \$50 million funding include the upgrade of the Shady Camp boat ramp, installation of Dinah Beach boat ramp CCTV cameras and toilets, Middle Arm boat ramp car park upgrade, sealing the Corroboree Billabong road, replacing the Manton Dam barramundi net, upgrading the Melville Bay boat ramp, undertaking a land-based fishing platform consultancy and installing Dundee Beach boat ramp lighting.

Investing in arts and culture

The 2019 Budget continues to support community arts and cultural activities, including:

- \$81.9 million to construct the National Aboriginal Art Gallery in Alice Springs, extend art galleries in Tennant Creek, Katherine and East Arnhem, and continue upgrades at the Museum and Art Gallery of the Northern Territory
- \$12.1 million over two years as part of the Turbo2 package to enhance visitor experiences in our parks and through our arts and cultural offerings
- \$1.9 million to support the Territory screen industry
- \$1.8 million for community art galleries upgrades.

Buy local

The 2019 Budget provides \$0.2 million to continue to support the Buy Local industry advocate, an independent link between local business and the government.

Turbocharging tourism

The 2019 Budget provides \$62.8 million over two years to deliver Turbo2, an extension of government's \$103 million Turbocharging Tourism initiative.

Turbo2 provides a range of tourism initiatives across the Territory to attract more visitors, support businesses, create jobs and grow the economy, including:

- \$27.7 million for targeted domestic and international marketing activities to increase holiday visitors through attracting lucrative business events and engaging in cooperative marketing
- \$20 million to support community festivals and major events such as Darwin Festival, Parrtjima – A Festival in Light, BASSINTHEGRASS and the V8 Supercars
- \$15.1 million for the Territory's parks and reserves, to unlock private sector investment through the Visitor Experience Enhancement program and support arts and cultural offerings.

The 2019 Budget also continues to deliver tourism infrastructure projects from Turbo1, including:

- a new multipurpose visitor and event centre at George Brown Botanic Gardens
- preservation and enhancement works at the Hermannsburg Historical Precinct
- a new adventure cycling track at West MacDonnell National Park
- revitalisation of the visitor experience centre in Tennant Creek
- expansion of walking tracks at Nitmiluk National Park and a new multi-day walking track in central Australia.

Creating local jobs

The 2019 Budget supports job creation and economic development through a range of initiatives to encourage private investment, enhance the resources sector and stimulate tourism in the Territory.

Facilitating private investment

The 2019 Budget delivers a coordinated approach to attracting private investment in the Territory through the consolidation of major projects, microeconomic reform and investment attraction functions across government into a new Office of Investment Attraction.

The Office of Investment Attraction will deliver reforms to improve the current major projects process and the efficiency of project approvals. This includes the development of an overarching microeconomic reform roadmap to position the Territory as a globally competitive capital investment destination, and funding of \$1.6 million over two years to introduce a new Significant Project Champions team to facilitate investment opportunities in key industry sectors by reducing the barriers of red, beige and green tape, provide better coordination and strengthen partnerships with industry.

The 2019 Budget also supports private sector investment to accelerate economic growth, strengthen the diversification of the Territory's economy and create more jobs for Territorians, through:

- \$89 million to establish a Local Jobs Fund to provide new job-creating stimulus projects including capital grants targeted at transformational economic growth projects and current grants aimed at developing innovation and trade capabilities. The Local Jobs Fund also includes concessional loans to deliver short-term finance to small and emerging businesses with long-term potential, and equity finance
- \$0.45 million per annum from 2020-21 for greater capacity to administer market-led proposals and secure new major projects to boost the Territory's economy.

Gas and resources

The 2019 Budget invests in the minerals and energy sector to facilitate economic development and jobs growth through:

- \$6.5 million to continue to deliver the four-year \$26 million Resourcing the Territory program to stimulate resource exploration and investment attraction
- \$1.48 million to continue to implement the recommendations of the Scientific Inquiry into Hydraulic Fracturing in the Northern Territory including coordination and advice on petroleum environmental management matters
- \$0.3 million per annum to develop Tennant Creek as a mining and mineral services centre and deliver new industries, business opportunities and employment in Tennant Creek.

The 2019 Budget also re-establishes the NT Gas Task Force to implement the five-point NT Gas Strategy. Initial strategic studies have commenced to ensure the Territory is well positioned to capitalise on the growth of the oil and gas industry, including studies for gas development of the Beetaloo Sub-basin, Darwin Harbour and Middle Arm. The 2019 Budget provides an additional \$0.82 million per annum to support the NT Gas Task Force, and a further \$5 million per annum will be available to support development of the gas industry and the implementation of the NT Gas Strategy.

Fast-tracked infrastructure projects

The 2019 Budget invests \$1.45 billion in infrastructure projects to create jobs and support local businesses.

The infrastructure program fast-tracks five projects totalling \$125.6 million by around 12 months, creating around 500 direct and indirect jobs ensuring a continuous pipeline of construction activity for Territory businesses. These projects include:

- \$50 million for a new Mandorah marine facility, replacing the ageing jetty, to improve safety and support development and tourism in the area
- \$29 million for stage 2 of Zuccoli Primary School to support significant residential growth in the area
- \$25 million to deliver a new Palmerston fire station to meet growing demands for fire services in the Palmerston and Coolalinga region
- \$17.5 million for upgrades to Litchfield National Park to provide new campgrounds and visitor facilities
- \$4.1 million to support the Kilgariff development stage 2, ensuring a continuous supply of affordable land in Alice Springs.

Skills and training

The 2019 Budget supports Territorians to obtain relevant current and future skills for the changing workforce and improve employment outcomes through investing \$101.3 million in 2019-20 towards a range of training programs and incentives targeted at building a capable workforce, including:

- \$53.5 million to deliver skills training through registered training organisations
- \$27 million to support training for apprentices and trainees
- \$8.4 million over two years towards the establishment of a Future Skills Program to upskill employees, comprising Future Skills vouchers to enable Territorians to obtain relevant skills, and a fund to support organisations to provide training programs through improved infrastructure
- \$3 million for Aboriginal workforce and development programs as part of the Aboriginal Employment Program
- \$2.1 million for the Employer Apprenticeship and Traineeship Support Scheme.

Revitalising our CBDs

The 2019 Budget delivers the government's 10-year \$200 million City Deals, in partnership with the Commonwealth and City of Darwin, to transform the Territory's town centres into world class tourist and cultural destinations, through:

- \$46.6 million to revitalise the Darwin CBD, including:
 - \$31.9 million to redevelop State Square to provide a more liveable space for outdoor events and festivals with a new multi-level car park and landscaped park currently under construction
 - delivering a new education and civic precinct including a new Charles Darwin University CBD campus
 - delivering the Cavenagh Street Heat Mitigation project
 - upgrading Austin Lane with more pedestrian-friendly spaces
- \$14.7 million to revitalise the Alice Springs town centre, including the construction of a water play area and heat mitigation works, initiatives to improve safety, and a car parking review.



Alcohol reform

The 2019 Budget builds on reforms aimed at tackling alcohol abuse and alcohol-related harm with the Alcohol Secure program to provide financial support to licensed premises to protect their liquor stock.

The 2019 Budget provides \$0.5 million worth of grants in 2019-20 with an additional \$0.25 million in 2020-21.

The program will complement reforms currently underway to tackle alcohol abuse including:

- \$15.5 million in 2019-20 to provide assessment, withdrawal and specialised alcohol treatment services to assist people with alcohol misuse issues and dependence
- \$12.82 million ongoing from 2019-20 for the alcohol policing support unit as part of the Alcohol Harm Minimisation Strategy
- \$5.7 million in 2019-20 to operate and maintain the Banned Drinker Register.

Biometric matching capability

The 2019 Budget provides \$0.38 million to improve biometric matching capability in the Territory, increasing to \$0.5 million ongoing in 2020-21. The funding will support the implementation of the National Facial Biometric Matching Capability Solution, a National Counter Terrorism Strategy to reduce crime and increase national security and border protection.

Territory Government agencies will be able to use the data in areas including road safety, identity crime, organised crime and counter terrorism.

A safer Territory

The 2019 Budget provides \$1.61 billion to reduce crime through the better delivery of police and emergency services, strengthen law and order, and continue ongoing alcohol reforms and youth justice measures to support safer communities that are thriving both socially and economically.

Breaking the cycle of youth crime

The 2019 Budget invests in a range of initiatives to improve community safety through breaking the cycle of youth crime and driving generational change, including:

- \$1.5 million ongoing to establish and operate a Palmerston Youth Drop-In and Crisis Centre with 24-hour supervision and safe sleeping places
- \$1.5 million ongoing to expand the Stars Foundation girls program and Clontarf program in Palmerston to divert young people from making poor choices
- \$1.16 million per annum for two years for seven youth engagement night officers to engage with children and young people on the streets of Alice Springs seven days a week from 8pm to 3am
- \$0.8 million ongoing to support the Crossover Families Case Management Unit to coordinate services to young people and their families involved in child protection and youth justice systems
- \$0.7 million per annum for two years to extend the hours and transport services for youth drop-in centres in Alice Springs from five to seven days a week
- \$0.4 million per annum for two years for a cultural engagement and outreach program with Aboriginal elders and traditional owners in Alice Springs
- \$0.3 million ongoing to expand the youth night patrol service in Palmerston with additional patrols and a larger bus
- \$0.2 million per annum for two years to extend the Alice Springs community safety transport service operating hours to seven nights a week
- \$0.2 million ongoing to deliver the Student Voice Positive Choice program in Palmerston to encourage students to make positive choices, have a strong voice in the community and stand up for what is right
- \$0.15 million ongoing to support psychologist diagnostics and training in the Palmerston Re-engagement Centre.



Back on Track program

The 2019 Budget provides \$6.96 million in 2018-19 and \$8.54 million ongoing from 2019-20 for the Back on Track program to divert at-risk young people away from the youth justice system and deliver consequences to get them on a better path.

The Palmerston Youth Skills Centre will form part of the Back on Track program, which will focus on training young people with life and work skills, including cooking, banking and finance, artificial intelligence and ICT.

The Back on Track program gives courts better diversion and sentencing options and supports other government initiatives to prevent youth crime. The key aim of the program is to get young people back on track while taking responsibility for their actions and understanding the consequences of their offending behaviour.

Tackling antisocial behaviour

The 2019 Budget continues to deliver the government's five-point plan to reduce the impact of antisocial behaviour. The plan delivers a suite of measures to make streets, homes and businesses safer:

- \$6.6 million to establish Better Pathways centres and short-stay accommodation facilities. These will target vulnerable people who are homeless and sleeping rough in Darwin and Palmerston, including short-term visitors from remote communities without secure housing
- \$1.3 million to extend the Larrakia Nation day patrol service with four additional vehicles to help relocate people to their home community and provide rehabilitation support
- \$0.7 million for the Larrakia Ambassador Program to reduce the impact of people living rough on Larrakia Country
- an additional \$0.35 million to extend the Darwin Sobering Up Shelter operations to 24 hours a day to ensure people who need help with alcohol addiction can access the support.

More resources for police and emergency services

The 2019 Budget supports community safety through strategic investment to help Territorians when they are at their most vulnerable:

- an additional \$10 million per annum to the Northern Territory Police, Fire and Emergency Services to continue to protect the Territory
- \$9.79 million over four years from 2019-20 and \$0.54 million ongoing to upgrade the digital radio system and modernise critical communication systems to provide improved functionality to emergency services.



Aerodrome safety

The 2019 Budget allocates \$3.55 million for new and continuing works to upgrade the Elcho Island aerodrome and \$0.75 million over two years for studies and safety compliance inspections of aerodromes across the Territory in line with new regulations from the Commonwealth's Civil Aviation Safety Authority.

Community safety

The 2019 Budget invests in key infrastructure to protect the community and drive the vision for a safer Territory with:

- \$70 million for contemporary youth justice centres
- \$37.5 million to continue to upgrade and construct police stations in Angurugu, Maningrida, Ngukurr and Palmerston
- \$25 million for a new Palmerston fire and emergency services complex
- \$10.8 million to support youth justice programs and provide alternatives to detention
- \$6.5 million for continuing construction of the new Bushfires NT headquarters in the Darwin rural area.

Safe, thriving and connected

The 2019 Budget continues to support a range of child protection and youth justice activities in response to the Royal Commission into the Detention and Protection of Children in the Northern Territory, including:

- \$66.95 million over five years to implement an information management platform to improve service coordination
- \$22.95 million over five years to implement a new staffing model for youth detention facilities
- \$12.9 million over four years for local communities through the Regional Youth Services Fund
- \$10.29 million over three years for infrastructure to support regional youth justice programs and provide alternatives to detention
- \$9.89 million over four years to keep children out of detention and improve outcomes for children and young people through participation in restorative justice and skills development programs
- \$5.4 million over four years to transform out of home care.

Investing in generational change

The 2019 Budget drives generational change through investment in education, health, early childhood development and youth justice reform to provide the best possible opportunities in life.

Education

The 2019 Budget invests \$1.28 billion in the future prosperity of Territorians by supporting education through:

- \$518 million for government schools resourcing including \$76 million towards meeting centralised school costs
- \$48.6 million to implement stage two of the Indigenous Education Strategy, including \$34.7 million in Commonwealth funding for remote communities
- \$42.6 million for a new government school in Zuccoli, including site servicing and a shared oval
- \$14.1 million for round 3 of the Building Better Schools initiative, providing \$300 000 per school for refurbishments and upgrades to school facilities to enhance student learning
- \$11.7 million for a Darwin Middle School multipurpose hall, stage 2 of the Bullocky Point education precinct projects providing flexible-use spaces to support sports, music, arts, drama and indoor space for school assemblies
- \$10.8 million to implement a school resourcing model that provides schools with more equitable and transparent funding and increased support, in response to recommendations from the independent review of global school budgets
- \$8 million to continue early intervention and support to tackle challenging behaviours and support students with additional needs
- \$3 million to increase support for non-government schools to provide boarding services to Aboriginal students in the Territory





Early childhood development

The 2019 Budget continues to deliver government's 10-year Early Childhood Development Plan, which provides a \$35.6 million investment over four years, including \$10 million from 2019-20.

The plan supports forward-thinking decisions, comprehensive support systems and strong partnerships for our children, including:

- expanding the Maternal Early Childhood Sustained Home visiting program to support expecting mothers in more regional and remote areas
- expanding the Healthy Under 5 Kids program to Darwin, Alice Springs and Tennant Creek and all remote clinics managed by the health services
- establishing seven new Families as First Teachers sites in 2019-20, following the seven sites opened in 2018-19, to provide early learning and parent capacity building programs to families and their children aged 0 to 5 years
- four new Hearing Health Partnership locations integrated with Families as First Teachers sites to promote ear health hygiene, language and learning behaviours.

In addition, the 2019 Budget continues to deliver \$11.4 million over four years to establish a network of 17 child and family centres by 2022-23 to deliver targeted and coordinated support to families.

This includes five sites to be established in 2019-20, including Tennant Creek (already underway), Katherine, Darwin northern suburbs and northern Arnhem Land.

- \$2.2 million to support schools and the system to evaluate and measure the progress towards the achievement of improved outcomes for our students
- \$2.1 million to continue to improve educational services to young people in detention to enhance their prospects for engagement and rehabilitation
- \$2 million to promote an environment in government schools that is inclusive, fair and focused on delivering learning to meet individual needs.

Healthy Territorians

The 2019 Budget commits \$1.72 billion to deliver safe, high quality and sustainable health services to meet current and projected future needs of Territorians, including:

- \$1.3 billion to resource the Top End and Central Australia Health Services to provide high quality, safe and efficient acute to primary health care services in hospitals, health centres and in the home
- \$15.5 million to provide assessment, withdrawal and specialised alcohol treatment services to assist people with alcohol misuse issues and dependence as part of the Alcohol Harm Minimisation Strategy
- \$6.6 million to continue works to refurbish and expand the Nightcliff renal facility
- 5.8 million for upgrades at Alice Springs Hospital
- \$5 million to support delivery of the Sustained Nurse Home Visiting for Vulnerable Families program
- \$4.51 million for allied health services across the Top End
- \$2.92 million for emergency road ambulance and medical transportation services
- \$2.89 million to expand renal inpatient capacity at Alice Springs Hospital
- \$2.34 million to expand service capability of the patient retrieval service across Central Australia and to address the growing demand in medical services
- \$0.93 million to provide psychosocial support for people in public housing with severe and persistent mental illness
- \$0.75 million to tackle substance misuse in remote communities.

The future of Jabiru

The 2019 Budget invests \$131.5 million over four years from 2019-20 to reposition Jabiru post-mining, to a tourism and regional services hub.

The funding includes infrastructure upgrades, comprising:

- a new power station
- Bininj Resource Centre
- government services hub
- multi-use medical centre
- education precinct
- mobile connectivity in Kakadu
- various upgrades in the Jabiru township, including utilities, airport and landfill infrastructure.

The Commonwealth has also made a commitment through a memorandum of understanding with the Territory Government, Energy Resources of Australia and the Mirarr traditional owners (represented by Gundjeihmi Aboriginal Corporation).

The memorandum expands the package with a further \$216 million investment over 10 years for a world heritage interpretive centre, road and park upgrades, asbestos remediation works, and mobile connectivity.



Investing in the bush

The 2019 Budget continues the government's commitment to the bush by investing to empower communities, create jobs and deliver new infrastructure projects.

Barkly Regional Deal

The Commonwealth and Territory governments and Barkly Regional Council have partnered to deliver a \$78.4 million Barkly Regional Deal including 28 initiatives.

The Barkly Regional Deal maximises the value of new and existing public investment through greater collaboration, alignment and coordination of regional investment priorities between the three levels of government. This is the first regional deal in Australia.

Since July 2018 there has been a strong commitment to involve the Barkly community in the development of the Barkly Regional Deal, aligned with the Local Decision Making policy. Consultations have occurred with over 200 people from Tennant Creek, Elliott, Alpururulam, Ali Curung, Mungkarta, Canteen Creek and Epenarra (Wutungurra).

A Barkly Governance Table has been established, bringing together traditional owners (representing the 16 language groups across the Barkly region), Aboriginal organisations, youth, business leaders and the non-government sector with the three levels of government.

The Governance Table is the overarching body that will lead the implementation of the Barkly Regional Deal to boost economic development, improve social conditions and reinforce the region's strong Aboriginal culture and history over the next 10 years. The Barkly Regional Deal details are outlined below.

Economic development – \$38 million

- \$17.9 million to install a new weather radar to provide accurate and up-to-date information on regional weather
- \$7.62 million for youth infrastructure
- \$5.55 million to construct a new alternatives-to-detention secure facility to accommodate and support young people, as part of the Back on Track program
- \$3.4 million for justice infrastructure including culturally appropriate renovations to the Tennant Creek watch house

- \$2.2 million to establish a Barkly business hub
- \$1 million to develop a regional workforce strategy to complement an Economic Growth Strategy for the Barkly region
- \$0.3 million to develop an economic growth strategy

Social development – \$31.8 million

- \$12.7 million to establish a student boarding accommodation facility for 40 students from Tennant Creek and outlying communities

- \$9.5 million for a Tennant Creek visitor park for transitional and seasonal visitors from outlying remote communities
- \$3 million to increase the level and type of youth crisis support services
- \$3 million for enhanced trauma care through comprehensive physical health, developmental, cognitive and mental health assessments, treatment and management for children
- \$1.9 million to develop a public private partnership with a community housing provider to support the construction of 20 dwellings
- \$0.8 million to support community sports
- \$0.6 million to implement a streamlined approach for government investment
- \$0.25 million for a multipurpose accommodation facility

Cultural and placemaking – \$8.7 million

- \$6 million for a Barkly local community projects fund to deliver high impact community-led initiatives
- \$1.7 million to address long-standing community conflict in Ali Curung through community mediation
- \$1 million to strengthen local community governance

Remote housing investment

The 2019 Budget continues to support the delivery of the 10-year \$1.1 billion Remote Housing Investment Package and includes a five-year \$550 million co-contribution from the Commonwealth. In 2019-20, the investment in remote housing includes:

	2019-20	
	Program	Cash
	\$M	\$M
Remote Aboriginal housing	413.9	187.5
Northern Territory funded	271.4	111.5
Commonwealth funded	142.5	76.0
Government employee housing	10.7	6.9
Northern Territory funded	6.6	4.4
Commonwealth funded	4.1	2.5

The remote housing investment in the 2019 Budget includes \$61.8 million to support the rollout of new housing by preparing land and establishing electrical, water and sewerage infrastructure.

Treaty and local decision-making

The 2019 Budget supports Aboriginal communities to work together with government to develop policies and practices for service delivery tailored to a community's aspirations and need. The 2019 Budget provides:

- \$3 million to continue to grow regional development, progress the 10-year plan to drive the Local Decision Making agenda, and support Aboriginal organisations to participate in opportunities to share in the delivery of government services
- \$1.4 million to establish an independent Treaty Commission Office, to lead a treaty engagement process in the Territory and develop a treaty negotiation framework.

Town camps five-year reform

The Town Camp Reform Framework 2019-2024 presents a vision for strong, culturally rich and empowered town camps by ensuring:

- residents and their community are independent, safe and thriving
- housing choices and support services are people centred, flexible and suitable
- the Aboriginal community housing sector is strengthened and developed
- land tenure and leasing arrangements are fit for community purpose
- local jobs are created and the local economy is supported.

The 2019 Budget supports the framework through a five-year investment program tailored for each of the Territory's town camps.

Road upgrades

The 2019 Budget delivers for the bush with significant improvements to rural and remote roads, which in 2019-20 include:

- \$60.2 million to improve various sections of the Plenty Highway and Tjukururu Road
- \$29 million for the Buntine Highway to continue selected strengthening and widening works and extending the seal towards the Western Australia border.

The 2019 Budget also invests in economic enabling infrastructure in the regions through:

- \$30 million for works to support the development of the Katherine logistics and agribusiness hub
- continuing to support the development of Tennant Creek as a mining and minerals services centre.

Housing

The 2019 Budget continues the significant investment to construct new and refurbish existing housing in remote and urban areas, including:

- the Territory Government's \$1.1 billion 10-year Remote Housing Investment Package (the Commonwealth has committed \$550 million over five years in matched funding to supplement the Territory's investment)
- \$151.7 million for public housing, including \$72.6 million to deliver the two-year \$100 million urban public housing stimulus package, and \$44.1 million to redevelop John Stokes Square in Nightcliff
- \$61.8 million for land servicing to support the Remote Housing Investment Package
- \$41.8 million to continue to upgrade housing through the National Partnership on Remote Housing.

Additional investment in remote communities is also provided through a rolling Aboriginal essential services program, including \$9.8 million in 2019-20, and \$15.5 million for cyclone rectification works to support communities in East Arnhem.

Infrastructure

The 2019 Budget invests \$1.45 billion in infrastructure projects to create jobs and support local businesses with a pipeline of civil and construction projects.

Investing in the Territory

The 2019 Budget continues to invest in a range of projects across the Territory to stimulate economic activity and create employment, including:

- upgrading the Territory's roads and transport assets, including \$50 million to construct a new marine facility at Mandorah to improve safety and meet disability standards and, in partnership with the Commonwealth, \$60.2 million to continue to improve various sections of the Plenty Highway and Tjukaruru Road, and \$16.2 million to upgrade and seal priority sections of the Central Arnhem Road
- economic and community infrastructure including \$125 million for a range of projects to upgrade Kakadu and support the township of Jabiru to transition from a mining town to a tourism and regional services hub, \$41.5 million for headworks and subdivision works in Berrimah North, Borroloola, Darwin Waterfront, Kalkarindji, Kilgariff, Palmerston East and Zuccoli, \$30 million for the Katherine Logistics and Agribusiness Hub, \$29.4 million to upgrade Berrimah Farm research facilities and \$9.9 million to develop the Marine Service Area in East Arm
- infrastructure to enhance the Territory lifestyle and environment, including \$81.9 million for art galleries across the Territory, \$46.3 million to enhance experiences in national parks, and \$23.9 million for recreational fishing infrastructure
- projects to improve community safety, including \$70 million to progress contemporary youth justice centres in greater Darwin and Alice Springs, \$25 million to fast-track the new Palmerston fire and emergency services complex and \$18 million to continue flood mitigation works in Darwin, Palmerston and Katherine
- infrastructure to support education, including \$42.6 million to continue construction of the new government primary school in Zuccoli, and \$2 million to construct a new building at Tennant Creek High School to support engagement programs such as Stars and Clontarf
- health infrastructure including \$23.1 million to continue upgrades at hospitals across the Territory, as well as providing \$26.4 million for repairs and maintenance works at hospitals, health centres and clinics.

