



Northern Territory

BUDGET 2004

Moving the Territory ahead... **less tax, more jobs, great lifestyle**

M E D I A R E L E A S E

Syd Stirling

Treasurer

18 May 2004

STRONG ECONOMIC GROWTH FORECAST

The Territory's economy is set to grow strongly in 2004-05, on the back of strengthening employment associated with increased construction and tourism-related activity, Treasurer Syd Stirling said today.

Mr Stirling said Budget 2004, with its tax cuts and record spending on infrastructure, would further stimulate this growth and keep the Territory moving ahead.

"Territory economic activity is forecast to increase by 5.8% in 2004-05, as the onshore economy continues to gain momentum," Mr Stirling said.

"Territorians can expect to see improved economic conditions in 2004-05, as the stronger jobs market has a positive impact on consumer confidence and spending, dwelling investment and property markets strengthen and the tourism sector continues to recover." he said.

"These factors, coupled with major development projects underway and record infrastructure spending in the Budget of \$441 million, will all lead to strong economic growth over the next 12 months and beyond."

Mr Stirling said the strong forecast for 2004-05 follows weaker than expected growth for 2003-04 of 0.3%, largely due to offshore factors.

"Significantly reduced offshore oil production from Lamanaria-Corallina oilfields in the Timor Sea is estimated to have subtracted 2.7% from growth.

"In 2004-05, weakening production at Lamanaria-Corallina will be more than offset by production from Bayu-Undan Stage One, while improving onshore economic factors will also contribute strongly to growth."

Mr Stirling said the Territory Government was still tracking well in terms of reducing the Territory's deficit situation.

The 2004-05 Budget will see increased NT Government spending in key priority areas of health, education, tourism and police and less than expected Commonwealth funding," he said.

"The Territory's economic position is much healthier than it was under the previous CLP Government.

"That's why we have been able to increase spending in key areas of importance to Territorians, as well as making the most significant tax cuts ever for Territory business."

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Northern Territory Government