

Department of

# Business, Economic and Regional Development

	2005-06 Estimate	2006-07 Budget
<b>Output Group</b>	\$000	\$000
Economic Development	22 970	22 951
<b>Total Expenses</b>	<b>22 970</b>	<b>22 951</b>
<b>Output Appropriation</b>	<b>20 380</b>	<b>20 515</b>
<b>Capital Appropriation</b>		

**2006-07 Staffing: 140**

## Agency Profile

The Department of Business, Economic and Regional Development is the Northern Territory's key economic development agency, and has a critical role in supporting the Government's priority of maintaining a strong and growing Territory economy.

The department provides a coordinated approach to supporting sustainable economic development, combining business and industry development functions with regional and Indigenous economic development functions. The department works in partnership with business and industry to assist those key investment decisions.

Key functional responsibilities include:

- facilitating investment in the Territory;
- taking a lead role in fostering Indigenous economic development;
- promoting sustainable regional economic development;
- working with Tourism NT to maximise the contribution of tourism to the Territory economy;
- working with industry and business in identifying strategies for long-term sustainable growth;
- identifying new opportunities and technologies to assist the Territory's future development and involving the private sector in capturing those opportunities;
- providing the first point of contact for businesses wishing to do business in the Northern Territory and to access Government information and services;
- actively pursuing strong partnerships with key industry sectors; and
- relaying the views of business and industry to Government.

Strategic issues facing the agency in 2006-07 include:

- implementing an Economic Development Framework for the Northern Territory for 2006-2015;
- working with Regional Economic Committees to drive economic development in the regions;
- monitoring and reporting on the implementation of a whole of government Indigenous Economic Development Strategy;

- assisting local industry to develop and promote its capability and engage with Department of Defence prime contractors, to grow the amount of defence-related business undertaken in the Territory;
- developing economic forecasting services and widely disseminating information about the economic climate to Northern Territory clients;
- implementing the Business and Skilled Migration, Building Northern Territory Industry Participation and Northern Territory Manufacturing Industry strategies;
- working with the Northern Territory Research and Innovation Board to facilitate research and commercialisation opportunities;
- overseeing the development of the Desert Knowledge Precinct, in partnership with the Desert People's Centre;
- continuing to strengthen the whole of government approach to major tourism investment attraction and aviation development, and commencing a review of the Northern Territory Tourism Strategy to establish future directions for growing the industry; and
- continuing to facilitate the development of Alice Springs as a mining support hub.

## Budget Highlights

- Funding of \$0.5 million to continue to assist with regional economic development throughout the Northern Territory, including support for Regional Economic Committees and project grants under the Regional Economic Development Fund.
- \$0.59 million funding to continue delivery of business services and implementation of economic development initiatives to foster long-term economic growth and prosperity for Indigenous Territorians, and provision of \$0.3 million in grant funding to assist start-up of new Indigenous business enterprises.
- Funding of \$0.47 million to continue delivery of business information and licensing services through the network of Territory Business Centres.
- \$0.65 million funding to continue delivery of business management and capability programs, including UpSkills workshops and business coaching services, the Business Growth program, and practical events during October Business Month.
- \$1.15 million provided to peak Territory industry associations for specific industry development services, including additional funding of \$0.06 million to provide a training officer within the Australian Hotels Association and Clubs NT.
- \$0.2 million for targeted industry development initiatives, including support to grow emerging industry sectors and grants for specific projects.
- Funding of \$0.68 million in grants to Desert Knowledge Australia.
- Funding of \$0.19 million in grants to support research and innovation.

## Outputs and Performance

Output Group/Output	2005-06	2006-07	Variation
	Estimate	Budget	
	\$000	\$000	\$000
<b>Economic Development</b>	<b>22 970</b>	<b>22 951</b>	<b>- 19</b>
Regional Economic Development	1 946	1 925	- 21
Indigenous Economic Development	2 692	2 911	219
Business and Skilled Migration	824	859	35
Industry Development and Investment	6 936	6 498	- 438
Business Development	6 016	6 182	166
Innovation and Knowledge Economy	1 781	1 803	22
Industry and Economic Policy	2 775	2 773	- 2
<b>Total Expenses</b>	<b>22 970</b>	<b>22 951</b>	<b>- 19</b>

### Key Variations

The decrease in 2006-07 is mainly due to one off funding for specific projects in 2005-06.

### Output Group: Economic Development

Provide strategic programs and activities with a focus on supporting sustainable economic and regional development, including Indigenous economic development, and to help build an innovative Territory that underpins future growth and job creation.

The outcome is sustainable development of the Territory's economy and the enhanced capacity and performance of business and industry sectors.

### Regional Economic Development

Work with Regional Economic Committees to identify key priorities and aspirations of people living in regions and to provide advice to Government on strategies to create sustainable growth in population and infrastructure across the Northern Territory.

Performance Measures <sup>1</sup>		2005-06 Estimate	2006-07 Estimate
<i>Quantity</i>	Agreed projects promoting and supporting Regional Economic Development (RED) under the Building Stronger Regions – Stronger Futures Strategy		23
<i>Quality</i>	Client satisfaction		80%
<i>Timeliness</i>	RED projects delivered within specified timeframes		90%

<sup>1</sup> These are new measures from 2006-07.

## Indigenous Economic Development

Support the economic independence of Indigenous Territorians through the implementation of cohesive, outcome-focused development and employment strategies that meet the needs of Indigenous communities.

Performance Measures		2005-06 Estimate	2006-07 Estimate
<b>Indigenous Business and Industry Support Services</b>			
<i>Quantity</i>	Activities to support development of Indigenous business or industry participation	65	65
<i>Quality</i>	Client satisfaction <sup>1</sup>		80%
<i>Timeliness</i>	Activities to support development conducted within agreed timeframes	90%	90%
<b>Indigenous Economic Development (IED)<sup>2</sup></b>			
<i>Quantity</i>	IED awareness activities	30	35
	Reporting on progress against milestones under the IED Strategy	24	40
<i>Quality</i>	Client satisfaction		80%
<i>Timeliness</i>	Awareness activities conducted within agreed timeframes		90%
	Reporting on IED Strategy within specified timeframes		90%

1 This will be measured in 2006-07 for the newly formed agency.

2 These are new measures from 2006-07.

## Business and Skilled Migration

Assist Northern Territory employers with advice and information about business and skilled migration to reduce skill shortages, to provide advice and information about regional migration programs and to promote the Northern Territory to potential skilled and business migrants overseas.

Performance Measures		2005-06 Estimate	2006-07 Estimate
<i>Quantity</i>	Business and skilled migration applications certified <sup>1</sup>	350	500
	Business and skilled migration awareness-raising activities undertaken	25	25
<i>Quality</i>	Client satisfaction <sup>2</sup>		80%
	Nominations and sponsorships approved	90%	90%
<i>Timeliness</i>	Business and skilled migration certifications completed within agreed service timeframe	90%	90%

1 Estimates based on percentage increases over the past two years, which have risen since the 2005-06 Budget, and participation in additional regional visa schemes.

2 This will be measured in 2006-07 for the newly formed agency.

## Industry Development and Investment

Provide professional business advice and administrative management of industry development funding programs. Ensure the department's loan portfolio is prudently managed. Target industry sectors, such as aviation development, bioprospecting and marine services, to identify new and additional opportunities for Territory businesses. Deliver strategic advice to Government on defence support issues, with a strong focus on identifying and attracting defence industry and business development opportunities to the Territory. Assist the Territory's defence support industry develop its capacity and capability. Provide strategic and tactical development and advisory services to help achieve a maximum realistic share of capital expenditure, operating expenditure and employment from regional oil, gas and mining operations and developments and other major projects.

Performance Measures		2005-06 Estimate	2006-07 Estimate
<b>Industry Assistance and Commercial Services</b>			
<i>Quantity</i>	Territory businesses and organisations provided with financial assistance	200	200
<i>Quality</i>	Client satisfaction <sup>1</sup>		80%
<i>Timeliness</i>	Financial assistance provided in accordance with Departmental guidelines	90%	90%
<b>Industry Development Services</b>			
<i>Quantity</i>	Projects supported	12	10
	Trade fairs and missions supported	2	2
<i>Quality</i>	Client satisfaction <sup>1</sup>		80%
<i>Timeliness</i>	Projects, trade fairs and missions supported within specified timeframes	90%	90%
<b>Defence Support Services</b>			
<i>Quantity</i>	Defence-related projects of significant economic value to the Northern Territory	6	5
	Business development and awareness activities <sup>2</sup>	62	20
<i>Quality</i>	Client satisfaction <sup>1</sup>		80%
<i>Timeliness</i>	Project milestones completed within agreed timeframes	90%	90%
<b>Investment and Mining and Petroleum Services</b>			
<i>Quantity</i>	Major projects supported through facilitation and awareness services	23	24
	Local Industry Participation Plans (LIPPs) negotiated to conclusion	7	6
<i>Quality</i>	Client satisfaction <sup>1</sup>		80%
<i>Timeliness</i>	LIPPs signed off prior to project commencement	90%	90%

<sup>1</sup> This will be measured in 2006-07 for the newly formed agency.

<sup>2</sup> Reduction since the 2005-06 original estimate and for the 2006-07 estimate is primarily due to defence tender awareness activities being taken over by the Australian Industry and Defence Network – Northern Territory part way through 2005-06.

## Business Development

Assist the development of a better-informed and capable Territory business community through providing business information, access to training and coaching programs, assisting businesses to plan their future growth and by providing guidance on how to do business with Government. Territory Business Centres provide the first contact and referral point for many services and products from Government agencies, including business information, and lodgement and issue of permits and registrations required to operate a business.

Performance Measures		2005-06 Estimate	2006-07 Estimate
<i>Quantity</i>	Licence and business information and service contacts	89 000	96 000
	Business education and awareness activities conducted	150	150
	Clients assisted through business improvement programs	10 200	10 400
<i>Quality</i>	Client satisfaction <sup>1</sup>		80%
<i>Timeliness</i>	Client satisfaction with timeliness of service delivery <sup>1</sup>		90%

<sup>1</sup> This will be measured in 2006-07 for the newly formed agency.

## Innovation and Knowledge Economy

Work closely with the private sector and other Government agencies to identify opportunities that give Territory business and industry the edge to improve competitiveness and productivity in a national and global marketplace. The Territory is uniquely placed to capitalise on its specialised expertise in a number of areas, including arid zone living and tropical knowledge.

Performance Measures <sup>1</sup>		2005-06 Estimate	2006-07 Estimate
<i>Quantity</i>	Agreed projects supported through partnerships and collaborations		39
<i>Quality</i>	Client satisfaction		80%
<i>Timeliness</i>	Projects delivered within specified timeframes		90%

<sup>1</sup> These are new measures from 2006-07.

## Industry and Economic Policy

Provide analysis and advice on the impact of Government and industry initiatives, develop new policy initiatives and provide an economic information and advice service on industry performance, outlook and opportunities.

Performance Measures		2005-06 Estimate	2006-07 Estimate
<i>Quantity</i>	Agreed milestones under the Economic Development Framework <sup>1</sup>	10	3
	Agreed policy and advice projects	42	47
	Business Round Table meetings facilitated	9	10
<i>Quality</i>	Client satisfaction <sup>2</sup>		80%
<i>Timeliness</i>	Economic Development Framework milestones met	90%	90%
	Agreed policy and advice projects delivered within specified timeframes.	90%	90%

<sup>1</sup> Development phase of the Economic Development Framework now completed. Implementation of the framework to now commence.

<sup>2</sup> This will be measured in 2006-07 for the newly formed agency.

## Operating Statement

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
<b>INCOME</b>		
Taxation revenue		
Grants and subsidies revenue		
Current		
Capital	385	715
Output revenue	20 380	20 515
Sales of goods and services	902	673
Interest revenue	55	20
Goods and services received free of charge	1 685	1 685
Gain(+)/loss(-) on disposal of assets		
Other revenue		
<b>TOTAL INCOME</b>	<b>23 407</b>	<b>23 608</b>
<b>EXPENSES</b>		
Employee expenses	11 468	11 745
Administrative expenses		
Purchases of goods and services	5 339	5 324
Repairs and maintenance	44	23
Depreciation and amortisation	3	3
DCIS services free of charge	1 685	1 685
Other administrative expenses		
Grants and subsidies expenses		
Current	4 431	4 171
Capital		
Community service obligations		
Interest expense		
<b>TOTAL EXPENSES</b>	<b>22 970</b>	<b>22 951</b>
<b>NET SURPLUS(+)/DEFICIT(-)</b>	<b>437</b>	<b>657</b>

## Balance Sheet

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
<b>ASSETS</b>		
Cash and deposits	60	5
Receivables	135	135
Prepayments	112	112
Inventories	56	56
Advances and investments	1 036	1 036
Property, plant and equipment	284	281
Other assets		
<b>TOTAL ASSETS</b>	<b>1 683</b>	<b>1 625</b>
<b>LIABILITIES</b>		
Deposits held		
Creditors and accruals	341	341
Borrowings and advances		
Provisions	1 667	1 667
Other liabilities		
<b>TOTAL LIABILITIES</b>	<b>2 008</b>	<b>2 008</b>
<b>NET ASSETS</b>	<b>- 325</b>	<b>- 383</b>
<b>EQUITY</b>		
Capital		
Opening balance		- 818
Equity injections/withdrawals	- 818	- 715
Reserves		
Accumulated funds		
Opening balance	56	493
Current year surplus(+)/deficit(-)	437	657
Accounting policy changes and corrections		
<b>TOTAL EQUITY</b>	<b>- 325</b>	<b>- 383</b>

## Cash Flow Statement

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Operating receipts</b>		
Taxes received		
Grants and subsidies received		
Current		
Capital	385	715
Receipts from sales of goods and services		
Output revenue received	20 380	20 515
Other agency receipts	786	673
Interest received	55	20
<b>Total operating receipts</b>	<b>21 606</b>	<b>21 923</b>
<b>Operating payments</b>		
Payments to employees	9 774	11 745
Payments for goods and services	5 200	5 347
Grants and subsidies paid		
Current	4 431	4 171
Capital		
Community service obligations		
Interest paid		
<b>Total operating payments</b>	<b>19 405</b>	<b>21 263</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>2 201</b>	<b>660</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Investing receipts</b>		
Proceeds from asset sales		
Repayment of advances	3 804	
Sales of investments		
<b>Total investing receipts</b>	<b>3 804</b>	
<b>Investing payments</b>		
Purchases of assets		
Advances and investing payments	5 688	
<b>Total investing payments</b>	<b>5 688</b>	
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>- 1 884</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Financing receipts</b>		
Proceeds of borrowings		
Deposits received		
Equity injections		
Capital Appropriation		
Other equity injections	128	
<b>Total financing receipts</b>	<b>128</b>	
<b>Financing payments</b>		
Repayment of borrowings		
Finance lease payments		
Equity withdrawals	385	715
<b>Total financing payments</b>	<b>385</b>	<b>715</b>
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>- 257</b>	<b>- 715</b>
Net increase(+)/decrease(-) in cash held	60	- 55
Cash at beginning of financial year		60
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>60</b>	<b>5</b>