

Chapter 4 Budget Initiatives

Overview This chapter summarises the Government's new and expanded initiatives for expenditure and revenue included in the 2007-08 Budget, along with the new major works on the 2007-08 Capital Works Program. The initiatives also include items that were announced in the 2006-07 Budget, but do not commence until 2007-08 or future years.

Initiatives in this chapter are grouped under the agency that has been funded to deliver them. Initiatives, including operating and capital payments, are either one-off or ongoing in nature, and the details provided reflect the nature of each one.

The Capital Works Program tables list major works projects and grants and the total cost of each. The amounts reflect the total project costs, not the cash allocation in the 2007-08 Budget.

For more details about initiatives and capital projects, including capital works projects continuing from 2006-07, see *Budget Paper No. 3* and *Budget Paper No. 4*.

A detailed discussion of revenue initiatives, including revenue policy changes as well as changes in procedures, is also presented in the last section of this chapter.

Expenditure Initiatives

Tables 4.1, 4.2 and 4.3 provide details of initiatives across all agencies.

Table 4.1: Summary of Recurrent Initiatives

	2006-07	2007-08	2008-09	2009-10	2010-11
	Estimate	Budget	Forward Estimates		
	\$M	\$M	\$M	\$M	\$M
Auditor-General's Office	0.2	0.2	0.2	0.2	0.2
Ombudsman's Office		0.1	0.1	0.1	0.1
Department of the Chief Minister	0.7	0.5	0.3	0.3	0.1
Department of the Legislative Assembly	0.3	0.3			
Northern Territory Treasury	0.6	9.3	16.0	27.8	28.6
Department of Justice	0.8	1.6	1.7	1.7	1.7
Department of Employment, Education and Training	1.1	4.8	2.8	1.7	1.1
Department of Health and Community Services	6.2	9.2	15.3	18.5	21.6
Northern Territory Police, Fire and Emergency Services	0.9	5.5	3.2	2.4	2.4
Department of Business, Economic and Regional Development		0.7	0.5	0.5	0.5
Department of Planning and Infrastructure	14.1	20.0	16.2	15.3	15.3
Department of Natural Resources, Environment and the Arts	1.0	1.2	2.0	1.8	1.9
Department of Local Government, Housing and Sport	2.1	6.8	5.9	0.1	0.1
Department of Corporate and Information Services	0.3	1.4	0.9	0.5	0.2
Department of Primary Industry, Fisheries and Mines		3.8	3.2	3.2	3.2
Total Initiatives	28.3	65.4	68.3	74.1	77.0

Table 4.2: Recurrent Initiatives by Agency

	2006-07	2007-08	2008-09	2009-10	2010-11
	Estimate	Budget	Forward Estimates		
	\$000	\$000	\$000	\$000	\$000
Auditor-General's Office					
Outcome of strategic review of Northern Territory Auditor-General's Office	200	200	200	200	200
Total	200	200	200	200	200
Ombudsman's Office					
Enhanced capacity for the Ombudsman's Office		60	60	60	60
Total		60	60	60	60
Department of the Chief Minister					
Continuation of the ethnic communities facilities program		250	250	250	
Support for the Northern Territory Show Council Inc.		220			
Road safety campaign	583				
Continuation of support for the World Solar Car Challenge	75	75	75	75	75
Total	658	545	325	325	75
Department of the Legislative Assembly					
Continuation of the Statehood Steering Committee's activities	250	250			
Total	250	250			
Northern Territory Treasury					
Abolish stamp duty on hiring arrangements		5 360	5 790	6 250	6 750
Abolish stamp duty on business property conveyances, excluding land				11 342	11 636
Increase the first home owner stamp duty concession from \$225 000 to \$350 000	640	3 900	3 900	3 900	3 900
Further payroll tax reductions to maintain the Territory's payroll tax competitiveness			6 300	6 300	6 300
Total	640	9 260	15 990	27 792	28 586
Department of Justice					
Expand resources in support of the <i>Criminal Property Forfeiture Act</i>		671	782	782	782
Primary health care services in Territory correctional centres	800	950	950	950	950
Total	800	1 621	1 732	1 732	1 732

(continued)

	2006-07	2007-08	2008-09	2009-10	2010-11
	Estimate	Budget	Forward Estimates		
	\$000	\$000	\$000	\$000	\$000
Department of Employment, Education and Training					
Jobs Plan 3: Building the Northern Territory Workforce		1 615	2 610	1 675	1 000
Furniture, fitout and equipment to support middle years schooling	952	3 008			
Grant to the Northern Territory Working Women's Centre	133	133	133		
Troop carriers for Wadeye, Wudapuli and Ngamariyanga schools	34	68	68	68	68
Total	1 119	4 824	2 811	1 743	1 068

Department of Health and Community Services

Alice Springs Hospital – additional 24 beds (50% additional funding; 50% to be met from existing growth funding)		1 125	2 250	2 250	2 250
Capital grant for upgrade works at Banyan House	4 000				
Expansion of the Community Midwifery Program to the Alice Springs region			280	280	280
Funding for disability services in the Northern Territory		2 305	3 735	5 204	6 549
Capacity to meet increased demand for renal dialysis, and primary health care services to manage chronic and early kidney disease		1 450	2 450	4 150	5 850
Road safety initiatives	100				
Royal Darwin Hospital – additional 24 beds (50% additional funding; 50% to be met from existing growth funding)	562	1 125	2 250	2 250	2 250
St John Ambulance	554	1 151	1 369	1 369	1 369
Supported Accommodation Assistance Program (SAAP) Agreement No. 5	413	1 496	1 597	1 699	1 699
Additional resources for child health care			500	500	500
Development and delivery of new treatment places for people subject to an Order from the Alcohol Court	560	560	640	640	640
Funding for audiologist and speech pathologist in Central Australia			200	200	200
Total	6 189	9 212	15 271	18 542	21 587

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	2006-07	2007-08	2008-09	2009-10	2010-11
	Estimate	Budget	Forward Estimates		
	\$000	\$000	\$000	\$000	\$000
Northern Territory Police, Fire and Emergency Services					
Road safety initiatives	736	1 318	1 458	1 458	1 458
Expand resources in support of the <i>Criminal Property Forfeiture Act</i>		579	491	491	491
Implementation of the Minimum Nationwide Person Profile Project	150	3 095	750		
Replacement of major fire appliances for the Northern Territory Fire Service		500	500	500	500
Regulation of paintball in the Northern Territory	47				
Total	933	5 492	3 199	2 449	2 449

Department of Business, Economic and Regional Development

Defence communities liaison		99	101	101	101
Increased capacity for the Northern Territory Research and Innovation Fund		350	350	350	350
Establishment of an educational trust in Tennant Creek		250			
Total		699	451	451	451

Department of Planning and Infrastructure

Grant to Katherine Town Council for Bicentennial Road funding	200				
Upgrade Borroloola sewerage services	5 000				
Additional bus services between Robertson Barracks and Palmerston		100	100	100	100
Additional assets in support of Indigenous Essential Services		3 390			
Implementation of the new Darwin bus schedule	145	250	250	250	250
Additional capacity to repair and maintain Territory Roads		7 500	7 500	10 000	10 000
Road safety initiatives	1 645	2 950	1 510	1 060	1 060
Provision of additional school buses for senior and middle schools	1 145	3 340	4 390	4 390	4 390
Additional school buses and host services for special needs children		460	460	460	460
Implementation of strategic staffing and staff development initiatives		2 000	2 000	2 000	2 000
Continuation of undergrounding powerlines in Rapid Creek	6 000			- 3 000	- 3 000
Total	14 135	19 990	16 210	15 260	15 260

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	2006-07	2007-08	2008-09	2009-10	2010-11
	Estimate	Budget	Forward Estimates		
	\$000	\$000	\$000	\$000	\$000
Department of Natural Resources, Environment and the Arts					
Continuation of Cabomba eradication program		253	253		
Cool Communities program to improve household energy efficiency and reduce greenhouse gas emissions	50	100	100	100	100
'Double Trouble' television series	243				
Establishment and operation of the Environment Protection Agency		248	876	876	876
Support for filming the Bazmark film production 'Australia' at the Stokes Hill Wharf	200				
Cane toad management by Frogwatch	150				
Indigenous Ranger program and assistance to Dhimurru	225	100	200	300	400
Improve Northern Territory flood forecasting capability		444	444	444	444
Support for the Public Art Precinct at Darwin International Airport	105				
Alice Springs/Tennant Creek initiative to support rebate of up to \$50 for water saving devices purchased by residents	50	100	100	100	100
Total	1 023	1 245	1 973	1 820	1 920

Department of Local Government, Housing and Sport

Additional funding for Australian Football League pre-season matches in Darwin and Alice Springs	420	420	420		
Grant for Central Australian drag racing strip	250				
Grant to the Darwin City Council to improve public amenities in Nightcliff		100			
Gunbalunya park improvement and playground equipment	120				
Local Government Reform management costs and one-off establishment costs for new shire councils	215	5 805	5 230		
Grants provided to local government to extend and repair specific local government-managed roads across the Territory	710				
Additional funding for National Rugby League games in Darwin and Alice Springs	91	87	101		
Grant to the Darwin City Council for the provision of a new skate park facility in Nightcliff		250			
Grants to Alpururulam, Arlparra and Yuendumu local councils for shade to ovals and recreation areas	270				
Equipment grant for sports facilities in Elliott			100		
Funding for personnel to provide support to associations without liquor/gaming licences		66	67	67	67
Support for staging a pre-season A-League football match at the new Darwin Football Stadium	45	33			
Total	2 121	6 761	5 918	67	67

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	2006-07	2007-08	2008-09	2009-10	2010-11
	Estimate	Budget	Forward Estimates		
	\$000	\$000	\$000	\$000	\$000
Department of Corporate and Information Services					
Chinatown office tower property management costs	300	300			
Northern Territory Public Sector traineeship scheme		325			
Funding for an additional 100 trainees under Jobs Plan 3		600	700	300	
Payroll work value review		200	200	200	200
Total	300	1 425	900	500	200

Department of Primary Industry, Fisheries and Mines

Funding for four years to maintain and upgrade geoscience data and promote exploration activities		3 000	3 000	3 000	3 000
Financial and training support to Indigenous communities for the Marine Ranger program		179	179	179	179
Development of a blueprint rehabilitation strategy for the Mount Todd Mine site		630			
Total		3 809	3 179	3 179	3 179

Table 4.3: 2007-08 New Capital Works

	\$M
Department of Legislative Assembly	
Parliament House – upgrade cabling	3.8
Department of Employment, Education and Training¹	
Borroloola Community Education Centre	5.0
Cyclone shelters upgrade – Nightcliff, Jingili and Humpty Doo	1.5
Desert People’s Centre – block 2	1.7
Desert People’s Centre – block 7	6.4
Katherine High School – stage 2 – middle years schooling	0.6
Millner Primary School – upgrade assembly area	1.0
Ross Park Primary School – stage 1 – upgrade classroom facilities	1.0
Wanguri Primary School upgrade	1.0
Department of Health and Community Services	
Alice Springs Hospital – Emergency Department upgrade	6.0
Alice Springs Hospital – essential works	3.0
Alice Springs Hospital – renal facilities	1.9
Royal Darwin Hospital – autoclave	1.5
Tennant Creek Hospital fire safety upgrade – stage 2	1.0
Wadeye health clinic	3.1
Northern Territory Police, Fire and Emergency Services	
Casuarina Police Station	4.8

¹ Australian Government funding may also be provided for these projects.

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\$M

Department of Planning and Infrastructure

All corridors – pavement strengthening and widening	5.0
Bellamack subdivision	7.0
Blackspot program	0.7
Darwin Middle School road works	2.5
Darwin Waterfront Development – stage 5	5.0
East Arm boat ramp redevelopment	2.8
Maryvale Road upgrade – stage 2	0.3
Myilly Point redevelopment	6.0
Outback Way – stage 2	1.7
Port Keats Road upgrade – stage 2	10.0
Roads to Recovery program	6.0
Rural arterials – strengthening and widening	0.8
Sandover Highway upgrade	0.5
Tanami Road upgrade	2.0
Tiger Brennan Drive – stage 1 – Berrimah Road duplication	10.0
Urban arterials – strengthening	0.8
Urban roads landscaping	1.0
Victoria Highway – stage 3	18.0
Warruwi airstrip upgrade	1.2
2007-08 Major Capital Grants	
Indigenous Essential Services	14.3

Darwin Port Corporation

Dredging Charles Point Patches/East Arm land reclamation	0.8
Fort Hill Wharf dredging	1.0
Port Security Plan	0.7

Department of Natural Resources, Environment and the Arts

Mary River Wetlands desalination	0.5
Nitmiluk National Park – ablution facility	0.5

Department of Local Government, Housing and Sport

Hidden Valley raceway upgrade – stage 3	0.5
Marrara outdoor netball centre	4.8

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Territory Housing

Public housing – construct housing in centres other than Darwin and Palmerston	1.0
Public housing – Kurringal redevelopment	1.9
Public housing – redevelop unit complexes in urban areas	2.0
Public housing – tailored upgrades in urban centres	2.0
Government employee housing – construct additional housing in remote localities	5.0
Government employee housing – land servicing in remote localities	1.0
Government employee housing – replace existing housing in remote localities	2.0
Government employee housing – upgrade housing in remote localities	3.0
Government employee housing – upgrade police housing in remote locations	4.0
Indigenous housing – headworks	5.0
2007-08 Major Capital Grants	
Indigenous housing	55.6

Department of Primary Industry, Fisheries and Mines

Improved recreational fishing infrastructure	0.5
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Revenue Initiatives

A number of key revenue measures are included in the 2007-08 Budget.

Increase in the First Home Owner Stamp Duty Concession

First home buyers purchasing a home from 1 May 2007 will benefit from the first home owner stamp duty concession increasing from the stamp duty payable on the first \$225 000 of a home's value to the first \$350 000. This will nearly double the value of the concession from a maximum of \$8015 to a maximum of \$15 312, providing stamp duty savings of \$3.9 million to first home buyers in 2007-08.

This will be the fourth increase in the value of the concession since August 2002, prior to which the concession equated to the stamp duty payable on the first \$80 000 of a home's value (a maximum concession of \$2096).

Tax Reform

As part of national tax reform, the Australian Government, states and territories signed the Intergovernmental Agreement on the Reform of Commonwealth State Financial Relations (the Intergovernmental Agreement). Part of the Intergovernmental Agreement secured the abolition of some state and territory taxes and a review of the need to retain a list of other 'business' taxes.

In accordance with the Intergovernmental Agreement, the Territory abolished tourism marketing duty from 1 July 2000, stamp duty on both quoted marketable securities and financial institutions duty from 1 July 2001, and debits tax from 1 July 2005.

Further, as part of its commitment to national tax reform, the Government has agreed to abolish the taxes that were subject to review under the Intergovernmental Agreement.

To date, it has abolished electronic debit transaction duty (from 1 July 2005), and stamp duty payable on the grant and renewal of leases and franchises and stamp duty on unquoted marketable securities (from 1 July 2006).

From 1 July 2007, stamp duty on hiring arrangements will be abolished. This is a stamp duty levied on rent paid for the hire of goods, such as specialist or heavy equipment or motor vehicles, and on hire purchase agreements, including the option to purchase goods by instalments. This is expected to cost \$5.4 million in 2007-08.

Stamp duty levied on non-residential conveyances will be abolished from 1 July 2009. This includes conveyances of goodwill, statutory licences and rights to use business names and patents, but does not include conveyances of real property. This is expected to reduce stamp duty collections by \$11.3 million in 2009-10.

Equity, Efficiency and Administrative Enhancements

The Government has approved a package of changes that enhance simplicity, efficiency and equity of the Territory's stamp duty and first home owner grant schemes.

A measure that will apply from 1 May 2007 will prevent the stamp duty corporate reconstruction exemptions applying where a purpose of undertaking the reconstruction is to frustrate the recovery of stamp duty, tax or royalty that is payable to the Territory.

The following measures to commence from 1 July 2007, will:

- abolish stamp duty on the grant of a lease for nil or nominal consideration;
- exempt all types of guarantees from nominal stamp duty of \$20;
- ensure that anything that is physically fixed to land is regarded as 'land' for the purposes of the land-holder provisions;
- clarify that stamp duty is imposed on the full value and best use of the land, which includes having regard to information that enhances the value of the land;
- ensure the consistent stamp duty treatment of mining information irrespective of whether the mine is subject to the *Mining Act*;
- ensure that a person who has previously owned a home interstate under a long-term lease cannot qualify for the first home owner stamp duty concession for a subsequent home purchase;
- clarify that consideration needs to actually have been paid for the purchase of a home prior to an applicant receiving the first home owner grant;
- clarify that any overpayment of a first home owner grant can be recovered; and
- provide for other minor changes that clarify the operation of the stamp duty and first home owner grant legislation.