

# BUDGET 2019-20

## Plan to Fix the Territory Budget

Budget 2019 places the Territory on a better path to fiscal sustainability through targeted savings and revenue measures and structural reform to the NTPS.

On 16 April 2019, the Territory Government released its Plan to Fix the Territory Budget. It comprised immediate savings and revenue measures identified through the root and branch review of government programs and medium to long-term structural reforms to the Northern Territory Public Sector (NTPS) in the response to the Fiscal Strategy Panel's *A plan for budget repair*, chaired by John Langoulant.

The measures in the 2019-20 Budget demonstrate government's plan to return the budget to a sustainable

position. It is underpinned by a new fiscal strategy with 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.

Program review by category	2018-19	2019-20	2020-21	2021-22	2022-23	Ongoing
	\$000	\$000	\$000	\$000	\$000	\$000
Whole of government efficiencies		38 308	84 473	113 790	138 410	138 410
Corporate efficiency savings	7 740	25 468	35 554	36 722	36 622	36 522
Program rationalisation savings	300	17 635	24 783	27 011	27 011	27 111
Workforce sustainability savings		8 629	10 312	10 993	11 670	12 090
Revenue measures		3 811	5 196	6 035	6 035	6 035
<b>Subtotal</b>	<b>8 040</b>	<b>93 851</b>	<b>160 318</b>	<b>194 551</b>	<b>219 748</b>	<b>220 168</b>
Less return to budget savings <sup>1</sup>	7 800	30 648	43 445	45 052	45 729	46 149
<b>Total (net of return to budget savings)</b>	<b>240</b>	<b>63 203</b>	<b>116 873</b>	<b>149 499</b>	<b>174 019</b>	<b>174 019</b>

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

### Whole of government efficiencies

Savings relating to efficiency dividends, increases in the retention periods for NT Fleet vehicles, changes to indexation parameters, and efficiencies in whole of government information and communications technology (ICT) support services.

### Corporate efficiencies

Savings through more efficient use of administrative resources, improvements to the way that tasks are administered and other measures such as reductions in corporate travel and reduced board memberships.

### Program rationalisation

Savings through a more efficient use of program and grant resources, and rationalisation of programs that no longer focus on priority programs or services.

### Workforce sustainability

Improving the way in which government utilises its employees, better aligning positions and employee numbers to service delivery requirements, and improving workforce sustainability.

### Revenue measures

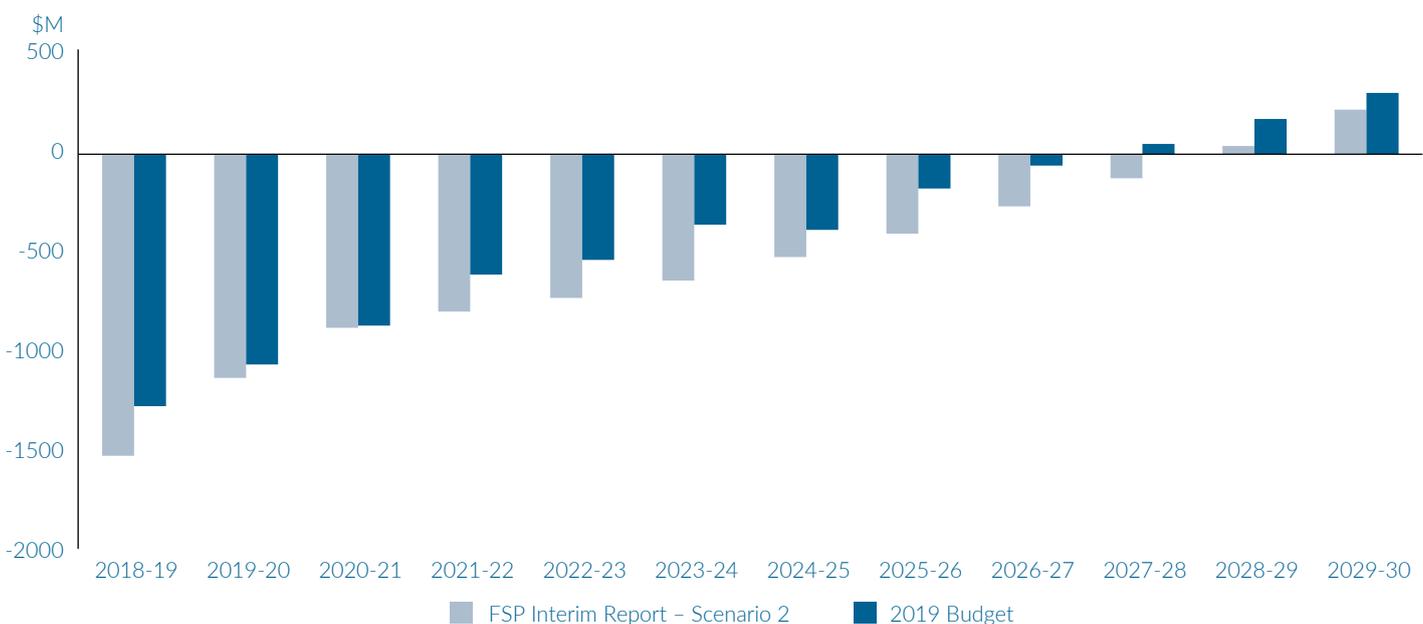
Measures targeted at improving the efficiency of the Territory's revenue collection efforts, including increasing the fireworks levy and fees associated with personalised number plates.

### 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, to develop a plan for budget repair.

On 14 December 2018, an interim report was released, providing an assessment of the Territory's medium-term fiscal outlook, which illustrated the urgent need to reduce the growth in expenditure to return the budget to balance.

### Non financial public sector fiscal balance



The Fiscal Strategy Panel's final report: *A plan for budget repair* was released on 16 April 2019, providing a package of 76 interdependent recommendations to return the budget to balance through structural reforms to the NTPS.

The Territory Government has accepted 68 of the recommendations in full, two were accepted in part and a further four were accepted in principle.

Key recommendations accepted from the final report include:

- a pay freeze for politicians and public service executives
- a 10% reduction in executive positions (52 full-time jobs)
- tough new accountability measures for senior staff and consequences for poor performance
- cutting red tape to attract private investment and create local jobs
- optimise the value of the Land Titles Office including the Integrated Land Information System (ILIS).

The report provided a plan to reduce expenditure by \$11.2 billion over 10 years, compared to a business-as-usual approach, to return the budget to balance by 2028-29.

Through reforms undertaken in the 2019 Budget (such as the root and branch review) and other non policy adjustments, the Territory is now projected to achieve a fiscal surplus in 2027-28.