Mid Year Report Shows NT Economy Strong

The Treasurer, Delia Lawrie, today released the Mid-Year Report which shows the Territory’s economy is strengthening following the worst global recession in more than 70 years.

Ms Lawrie said an improving global economy coupled with an increase in Territory own-sourced revenue led to an underlying budget improvement of $100 million.

The report also shows due to the timing of payment for additional Commonwealth untied grants received in June, the cash deficit for 2009-10 has increased by $50 million to $249 million.

“The Henderson Government made a deliberate decision to go into a temporary deficit in and invest a record $1.3 billion in infrastructure in 2009-10 in order to offset the effects of the global recession,” Ms Lawrie said.

“Our infrastructure investment is the biggest the Territory’s history and has helped create more than 4000 jobs over the past year.

“As predicted in this year’s Budget, the Government is forecasting stepping out of cash deficit over the coming years.

“Importantly the Mid-Year Report also forecasts an improved operating surplus which will provide the Government with additional funds to invest in infrastructure.”

Ms Lawrie said the global recession resulted in a sharp contraction in late 2008 and early this year, however, all indications show the global economy is now growing.

“Overall, the Mid-Year Report confirms the Henderson Government’s economic and fiscal policies are on track but we know we are not out of the woods yet which is why we need to maintain our strong financial management,” she said.

“The Territory Government will continue to actively pursue Asian markets and investment opportunities that will ensure our economy continues to be strong.

“There is expected to be growing demand for the Territory’s mineral and energy commodities underpinning Treasury’s upwards revision of our economic growth forecast for 2009-10 to 2.6 per cent from 2 per cent at the time of the Budget.

“The Territory’s labour market is also expected to be more resilient than originally forecast with employment growth revised upwards to 2.8 per cent compared to 1.5 per cent in May.

“This in turn has resulted in the Territory’s population forecast being increased from 1.8 per cent to 2 per cent from this calendar year.
“The Mid-Year Report also forecasts an improved operating surplus over the forward estimates providing the Government with additional capacity to invest in infrastructure.”

Ms Lawrie said the Territory’s forecast net debt has been cut since the May Budget by $157 million in 2009-10.

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