Chief Minister Terry Mills has presented Treasury under-secretary Jennifer Prince with the framework for the forthcoming audit of the Northern Territory budget.

Mr Mills met Mrs Prince at Parliament House this morning to take her through the guidelines under which the audit will operate.

Mr Mills discussed with Mrs Prince comments contained in the Pre Election Financial Outlook which throw light on the state of the Territory's finances.

Page 36 of the PEFO states:

‘The savings measures included in the past three budgets remain unchanged in the PEFO, however if revenue growth does not improve over the forward estimates, additional measures will be required to respond to ongoing demand pressures. Restrictions on expenditure growth will need to be maintained over an extended period to enable the Territory Budget to return to both operating and cash surpluses and provide the capacity to meet future capital spending requirements and the retirement of additional debt accumulated since 2010-11.’

PEFO concluded:

‘The commencement of a new Government and recent changes to fiscal parameters that are affecting the Territory and its economy would indicate that the development of the 2013-14 Budget would be an appropriate time to review the Territory’s fiscal strategy.’

“The PEFO highlights serious shortfalls in Treasurer Delia Lawrie’s budget direction and Labor’s capacity to properly manage the Budget,” Mr Mills said.

“Why didn’t Delia Lawrie highlight these financial concerns during the election campaign and what programs was she planning to cut that she did not tell Territorians.

“The Country Liberals Government has shown its commitment to fiscal restraint with its freeze on public service recruitment, travel and hospitality.”

The audit of the Northern Territory budget will examine:

- The Northern Territory’s fiscal position
- Territory Government Owned Corporations
- The contribution and liabilities of Government to major projects such as the Marine Supply Base, Prison and Darwin Waterfront
- The long term sustainability of spending and revenue programs
- The capacity of the Territory budget to fund ongoing infrastructure programs
Areas where program funding is failing to meet objectives
Project cost over-runs
Opportunities to strengthen the Northern Territory’s financial position.

“The final objective will consider options for increasing revenue growth as well as savings,” Mr Mills said.

“The audit is consistent with that announced during the 2011 Opposition Budget reply.

“The new administration wants to enter its term of Government with a clear understanding of the state of the Northern Territory Budget.”

The terms of reference and chairman of the review will be released shortly.

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