Introduction

I rise to respond to yesterday’s Northern Territory budget.

Yesterday’s budget was a budget of missed opportunities for the Northern Territory. It was a budget of broken promises.

This is the worst Budget in the Territory’s history delivered by the worst Government in the Territory’s history.

This budget is the child of dysfunction, division and complete incompetence.

This budget deepens the pain the CLP are inflicting on Territorians.

This budget breaks almost every promise the CLP made to Territorians less than nine months ago at the Territory election.

This budget sees the CLP ensuring that Territorians will be denied the benefits of, and miss out on, the opportunities of the economic boom the CLP inherited from Labor.

We have seen 3600 Territorians lose their full-time job since the CLP came to power. Under the CLP, that equates to 14 people every single day that have lost their full time job.

This budget misses opportunities in health – it slams the door on the new Palmerston Hospital and the Children’s Wing at Royal Darwin Hospital. It rips vital health funding out of the
bush, including renal dialysis and treatment of Sexually Transmitted Diseases in young indigenous girls.

This budget widens the Gap on Indigenous disadvantage.

This budget is about missed opportunities for our children in Education. It commits to cutting 130 teachers. There could have been an extra $300 million for education in this budget but the CLP have decided to put politics before our children and reject the Gonski school funding offer.

This budget is about increases to the cost of living, job cuts, new taxes and charges and less health and education services.

This budget has the wrong priorities. Right now this town should be enjoying the Arafura Games and the $10 million in economic benefits it would bring. But the CLP scrapped it and spent more money on giving their former candidates and members high paying jobs more than the entire cost of the Arafura Games.

Teachers and support staff pay is cut by $34 million. But the Chief Minister increases his own department staff by $8 million.

Less teachers in our class rooms, more of his mates getting jobs.

These are the priorities of this Giles Government.

Is our future still bright?

This budget is a turning point for the Territory.

To understand where we are going we need to look at where we have come from.

The last decade has seen the economic and human capital of the Northern Territory increase.
We have punched above our weight in almost every area.

The Northern Territory has become a fairer society.

The Northern Territory has become a more prosperous society.

No place in the world faced a brighter future the Northern Territory.

With the Labor investment in education, right across the Territory, regardless of where you lived many Territorians were being given that all important opportunity for a better life.

With the Labor investment in housing, particularly the national partnership on Indigenous housing, we saw billions invested in improving housing with training and job outcomes. Now we can expect to see flatpacks that won’t last the test of time or drive training and job outcomes.

With the investment in Charles Darwin University and our Marine Supply Base Labor was delivering a world-class industry, training and jobs to unlock the oil and gas potential of northern Australia.

With the investment in roads, power, water, sewerage in our towns, regions and remote communities Labor built infrastructure to unlock regional economic development.

The CLP is putting up the regional closed for business sign with mining taxes and preparing to break up the land councils delivering uncertainty for Traditional Owners and business.

With investment in health and child protection, Labor saw a significant improvement in child mortality rates, improved life expectancy for renal patients – up by seven years. We were on the journey of working with families in crisis ... not tearing them apart. This budget wipes that out.
What is truly missing in this budget is decency.

Decency towards people, decency towards hard working Territory small and medium sized business men and women. Instead the CLP Government is reaching into their pockets, stripping every cent out of them that they can and reducing basic services – breaking every core election commitment they made.

600 public servants sacked and more to come, including teacher cuts.

Inflation is now 3.9% but this budget has wage rises indexed at 3%. This means a pay cut for teachers, nurses, doctors, police, child protection workers and all public servants.

This budget inflicts pain on Territorians. But it won’t break their spirit.

Labor will proudly be the voice of opposition and debunk CLP myths ... like the big fat myth of unsustainable debt ... claiming it was enormous but then they continue to grow debt. Rank hypocrisy. More on that later.

**Jacking up the Cost of Living**

Madam Speaker, of course this CLP Government is most famous for deliberately and dishonestly breaking their promise to cut the cost of living. The cost of living has gone through the roof.

The CLP have already quite deliberately raised the costs for families in the Territory in almost every single way they can. Every single opportunity and avenue open to hurt families – they have taken it. This budget increases the cost of living even further.
Power is going up by 30% - $2000 a year for each family. The CLP think that by delaying some of the increase suddenly everything is ok and families are no longer hurting.

Territorians are hurting. They are struggling to pay your increased bills.

But while PowerWater bills are up, PowerWater infrastructure spending is down – cut by $20 million. People are paying more for less. We are back to the CLP days of running down infrastructure which led to the need for PowerWater increases in the first place.

The CLP promised to cut the cost of housing – but it is up. Under the CLP house prices in Darwin are growing at 8% - three times the national average. Land release has ground to a halt. The only land release in this budget was sub-divisions released by the previous Labor Government.

The CLP scrapped the My New Home scheme – taking more than 1000 properties off the market for first home buyers.

This budget proves that the CLP have hiked up the cost of living. They inherited an inflation figure of 2.1%. They have jacked it up to 3.9%. The cost of living for families is increasing at nearly twice the rate it was only a year ago.

The cost of everything is going up and the CLP have confirmed in their own budget that they intend to keep pushing up prices and costs even more.

Domestic revenue measures how much is being taken from Territory families in taxes and charges. The budget shows that the CLP have increased this amount by $84 million – up from $55 million to $139 million. This is nearly tripling the amount of
domestic revenue in one year. This budget hits the pockets of Territory families in every single way it possibly could.

And while costs are going up, jobs are going down. 3600 full time jobs have been lost since the CLP came to Government less than nine months ago.

**Failure to tackle alcohol crime**

I mentioned earlier that this Government’s biggest claim to fame was their decision to increase the cost of living.

But not far behind was their decision to increase public drunkenness and anti social behaviour on our streets.

Police told them that scrapping the BDR would be removing the best tool police had. They ignored them. Police were right. Public drunkenness has escalated.

Last week we saw the farcical policy of bringing back the BDR only it won’t be enforced. A banned problem drinker is free to buy as much alcohol as they like. This budget saves $2 million by scrapping the BDR which police said worked and instead the CLP spends $45 million on a plan that won’t. A plan that police and doctors say won’t work. The CLP say that the $45 million being spent next year will deal with 500 problem drinkers. That is $90 000 for each problem drinker – on treatment that experts say won’t work. What happens to the other 2000 problem drinkers who were on the banned drinker register? They can drink as much as they like. They can purchase alcohol without restriction.

It is not just police, doctors and alcohol experts that say their plans won’t work. The CLP’s own member of parliament the member for Arnhem says won’t work. She says that this policy
is forcing her to decide between her Government and her people.

Every promise on police has been broken. No call centres in Alice Springs and Katherine. Police beats closed – the current Chief Minister himself promised an extra police beat in Alice Springs – instead he has closed the existing one in the mall.

No funding in this budget for the Nightcliff police station upgrade promise. The contract signed with the Nightcliff community has been torn up.

The Safe Streets audit which was meant to have been completed and acted on by December last year has been pushed into next year.

The only increase in the police budget comes from the Commonwealth Government who have increased their funding to the Northern Territory Government from $7 million to $23 million. This is to fund the 90 extra police at the detention centre.

The CLP promised boot camps but they scrapped Balanu and we still don’t have anything resembling their promise to send kids to boot camp.

This budget completely fails to support police and it completely fails to deal with crime.

**Cutting teachers in our schools**

Education is a massive loser in this budget. In real terms the Education budget has been cut by $51 million. This budget confirms the changes to student/teacher ratios. These changes
result in 130 less teachers. Some schools will lose as many as 23 teachers – and all the Education Minister can say is that it is ok because they will only lose 5 a year.

The budget reduces total pay for teachers and support staff by $34 million.

This is why they haven’t signed up to the $300 million under Gonski. Gonski is about more teachers but the CLP are cutting teachers so they refused to sign up.

Schools from Darwin High School and Casuarina Senior College through to the smallest and remotest of schools are already suffering from the CLP’s huge education cuts. They are speaking out in droves about the daily struggles they face in trying to protect students from the CLP’s cuts.

**There are less teachers. There are less resources. Under the CLP there is now simply less education for our children.**

And the response from the CLP – all they can say is that our teachers don’t work hard enough. An absolute disgrace and a clear indication that they are completely out of touch with the priorities and concerns of Territory families.

The CLP’s budget details their plan to cut indigenous education. They are budgeting to cut the number of indigenous students in senior schools by 215 in just one year.

When Labor come to power in 2001 no student had ever completed secondary school in the bush. The number has increased every year since. But the CLP have decided to turn that around. 215 less indigenous students in senior schools next year. An absolute disgrace.
Improving Education is the biggest challenge we face in the Northern Territory. By slashing education this budget sets back the long term future of the Northern Territory.

**Scrapping Hospitals and cutting Health**

This budget confirms that the CLP will hand back $130M in funding that was meant to go towards our public hospital and health system. They do not believe in investing in our public health system.

This budget confirms that the Palmerston Hospital has been scrapped. This budget confirms that the planned Children’s Wing at Royal Darwin Hospital has been scrapped. How low can you go? – scrapping a facility that everyone who has ever had to take their child to Royal Darwin Hospital insists is needed.

The costs of running our hospitals increases at between 8% and 12% each year. Just to provide the same hospital service next year the budget needs to increase by around $50 million. Yet Page 163 of budget paper 3 shows that instead of increasing the hospital budget it has been cut - down by $1million. Doctor and nurse numbers will need to be reduced to cope with this cut.

In nominal terms the Health budget is up by $43 million – but $41 million of this is due to the increase to the Alcohol and Other drugs budget. So pretty much their entire increase is to fund a plan that all the experts say will fail.

The budget books show that CLP’s hospital spending blew out by $40 million in the last six months, no doubt largely as a
result of a dramatic increase in alcohol related admissions at emergency departments since the BDR was scrapped.

When doctors spoke out and said alcohol admissions at Alice Springs Hospital Emergency Department had doubled what was the CLP response? Hide the data. Why did the Doctors speak out? Because the CLP would not listen! They would not listen to Doctors who were telling them that their policies were clogging up our hospitals with drunks.

The cuts to our hospitals is just the start of the CLP’s funding cuts in health.

The budget rips $8 million out of disease control funding. This is the funding that is used to try and reduce the alarmingly high rates of Sexually Transmitted Diseases we have in the Territory. The latest report from the Centre for Disease control shows that there were 841 Sexually Transmitted Disease notifications in just 6 months in kids aged between 15 and 19. 90% of them are indigenous, two thirds of them are girls.

You cannot take out $8 million and pretend that the number of STDs won’t increase.

The budget confirms that the funding cut will result in the number of treatments at Clinic 34 in Darwin and Alice Springs being cut from 14 000 to 12 000.

It is a disgrace that any member of the CLP supports reducing the prevention of STDs. It is incomprehensible that the CLP’s female indigenous members have decided to support this funding cut.
**Destroying Social Services**

Madam Speaker there are currently 44 Child Protection positions vacant in Alice Springs alone. If 44 positions are vacant then child abuse reports are going without investigation.

In real terms the Office of Children and Families budget is being cut by $9 million.

And the budget papers confirm that this funding cut means 6000 child protection reports will not be investigated next year.

The budget books predicted child protection reports will increase by 2000 up to 10 000. But the number of investigations will drop from 5 400 to 4000.

Child abuse up. Child abuse investigations down.

The CLP ignored the experts and put Children and Families into the Department of Education. Then they changed its name to Families and Children. Then they changed it back again. And now without telling anyone they have taken the Office of Children and Families back out of education and made it a standalone department again.

**The CLP have spent far more energy on changing child protection letterhead than protecting children.**

Priorities don’t get much more wrong. They have destroyed the Office of Children and Families. Morale is down across the whole of the public service – but child protection is in complete crisis. The 44 vacant positions in Alice Springs are a direct result of the CLP Government.

It is not just the Department that has suffered cuts. Our Non Government sector provides a wide range of vital child protection services. They have all had their funding slashed.
They no longer receive indexation. They have all had to pay the PowerWater hikes but without any additional funding.

Our children deserve protection. **This budget cuts the protection that we as a society provide to our children.**

**Destroying Business Confidence**

Business Confidence in the Northern Territory Government has plummeted by 39%.

The CLP has been a disaster for business big and small. The Chief Minister outlined his understanding of issues affecting business when he launched his Japanese coup and sabotaged a Territory trade mission for his own personal ambitions.

The CLP have hit businesses every single way they possibly could. Power prices through the roof – all rates and charges up.

Business have been forced to lay off staff. 3600 full time jobs lost.

And worse is yet to come. Under the previous Labor Government Territory small businesses enjoyed the lowest taxes in the country. Not for long. Not under the CLP.

Just this year the CLP have increased taxes on employers by $24 million. Up from $176 million to $200 million. A 13% tax increase on business.

The budget outlines the CLP intention to increase taxation levels to the national average by 2016/17. This will require either significant payroll or stamp duty increases or the introduction of a land tax.
Just this morning at the Property Council breakfast the Treasurer said he would not rule out a new Land Tax for the Northern Territory.

Before the election the CLP said they would fight the Commonwealth’s mining tax. We now know why – they wanted to introduce their own. And this budget does that – new mining taxes. Taxes implemented without any consultation. New Taxes that prompted the mining industry to claim that this CLP Government has no understanding of their industry.

Yesterday Drew Wagner the Executive Director of the NT division of the Minerals Council of Australia slammed this CLP budget.

He said “The Northern Territory Government Budget today introduces two new taxes on the NT mining sector – a move that runs contrary to the claims that the top end is open for business.”

He concluded his press release by saying “The NT Government has campaigned that mining is one of the Territory’s three economic hubs. It seems this was just spin.”

Madam Speaker, as a former boss of the Minerals Council it must hurt you to hear your former industry describe your Government as closed for business.

No understanding of the Territory’s biggest industry – no wonder we have lost 3 600 full time jobs.

This budget cuts infrastructure spending which hurts business now with less contracts and in to the future with less infrastructure.
$64 million cut from the Infrastructure budget. The budget papers make it clear this is just the start. Page 1 of Budget paper 4 says – “total infrastructure payments are expected to be $64 million less than 2012-13 and will continue to decrease over the forward estimates”

The CLP promised to bring on the Ord Stage 3. The project requires around half a billion. In December the CLP allocated $400 000. They re-announced this $400 000 in this budget.

The Chief Minister has said he wants to build the North. Yet all he is doing in this budget is cutting the money required to build the North.

The budget paper forecasts a massive decline in the domestic economy. State Final Demand measures the performance of the domestic economy. The CLP inherited State Final Demand of 26% this financial year. Next year it plummets to -15% and stays negative throughout forward estimates.

The CLP are ensuring that Territorians will miss out on our growing economy.

**Breaking contracts in the bush**

Before the election the CLP signed written contracts with communities. This budget formally rips up those contracts.

This budget fails to deliver on the promises the CLP made for infrastructure in the bush. No new port on the Tiwis. No funding to seal the road to Wadeye. No funding for election promises for road improvements in the Daly and Tiwi regions.

No new school or business centre for Borroloola. And this is just the start. They promised that their homelands policy would mean people on homelands would enjoy the same standard of living as the rest of the country. This budget confirms that most people on homelands will get absolutely nothing.
Funding for Health, Schools and Infrastructure in the bush has been cut.

I mentioned earlier they are turning back the clock on indigenous education. They are cutting the budget for indigenous enrolment in senior schools by 215 students in just one year.

In the Barkly region alone $2 million has been taken out of education. Pre schools, primary schools, middle schools and senior schools have all had funding cuts.

In North East Arnhem land there has been a cut of $7m in acute and non acute health care.

Barge landing projects in Ramingining, Gapuwiya, Galiwin’ku have all been scrapped.

There is no new money for serviced land for community housing in remote growth towns to address chronic housing shortages.

Funding cuts to Indigenous marine ranger groups.

Money for Indigenous Essential Services has been cut. Down from $91 million to $71 million. Less safety and less reliable power, water and sewerage in the bush.

The budget confirms the CLP will cut public housing, especially in the bush. They are cutting remote public housing by 107 dwellings next year.

The number of refurbishments of remote housing dwellings will drop from 588 this year to 199 next year.

Less houses. More overcrowding.
The CLP Deceit

The CLP’s deceit on the Territory’s financial position is clear.

The CLP promised to cut debt. Yesterday’s budget formally breaks that promise. Page 4 of the Budget Overview shows they have increased the debt by $1.1 billion - up from $3.278 Billion this year to $4.417 Billion next year.

Page 28 of Budget paper 2 shows the fiscal balance next year will only be reduced by $12 million.

Last year GST funding was $2.5 billion. Next year it will be $2.8 billion.

The budget confirms $300 million will be stripped out of the public service.

The financial figures that the CLP are using to justify the pain they are inflicting on families are the same figures they used to promise to cut the cost of living.

The same figures they used to promise increased teachers they now use to sack teachers. The same figures they used to promise more spending on hospitals they now use to justify scrapping hospitals.

The Territory’s capacity to manage debt is better now than when Labor came to Government in 2001.

The CLP used to crow about an interest to revenue ratio of 12%. They said paying 12% of revenue on interest payments was sustainable. The figure is now 9% but they now say they have to pass on the burden to Territory families and business.

They have broken their promise to cut debt – because they know that our debt levels are both manageable and essential for the future of the Northern Territory.
The greatest threat to the financial future of the Northern Territory is the Liberal agenda to strip us of our GST.

The 4 big Liberal premiers have announced they are in agreement to allocate the GST on a per capita basis.

Tony Abbott has agreed with them that a move toward per-capita distribution is his preferred approach.

This puts $2.2 billion dollars at threat every single year. That is how much we would lose under the Liberal plan.

**Conclusion**

The Labor Opposition’s policy alternatives are clear:

- We would employ more teachers, not sack 130
- We would build the Palmerston Hospital and the RDH Children’s wing.
- We would combat alcohol crime and abuse with policies that police and doctors said would work not fail.
- We would return power and water increases to CPI – and not privatisate our utility that would send prices skyrocketing.
- We will ensure the Territorians can again benefit from our strong economy. We would stop the massive job losses that the CLP have inflicted.
- We would restore confidence to business. We would not implement new taxes without even talking to industry.
- In a developing economy we would keep taxes the lowest in the country.
- We would stop the pain. We would govern sustainably and not view the Territory families as a cash-cow to hurt as much as possible.
• We would not rip up contracts in the bush. We would not promise indigenous Territorians thousands of dollars that they will never see.
• We would increase indigenous education not cut it.
• Most importantly we would listen to Territorians.

I want to read briefly from the budget reply speech from one year ago. This is what Terry Mills said:

“Our First priority is to keep people safe; clean up our streets and parks; drive down the cost of living for families; make housing affordable by returning the balance of supply and demand to land release and create new options in the marketplace; create jobs through a strong and well-managed, balanced economy; invest in roads, rail, ports and other income-producing infrastructure; capitalise on our natural resources; and protect our unique lifestyle.”

In just that short paragraph there are a dozen promises that have been broken. Our streets and parks are full of more drunks than ever, the cost of living has skyrocketed, house prices and rents are up, there has been no new residential land release, 3600 full time jobs lost, infrastructure funding cut, no money for rail or ports.

What we didn’t know then was that when they said they would capitalise on our natural resources they meant they were going to hand over our natural resources to their mates. Water worth millions of dollars handed to the CLP candidate for Lingiari. The stench of corruption is all over this Government.

This CLP Government has been a massive fail.
In closing can I say that this is a true CLP budget. It looks after their mates and it abandons families ... it leaves our most vulnerable, children and senior Territorians without a helping hand. This budget formally leaves behind the most disadvantaged people in our society.

This is a budget without a heart.

I condemn this budget and I condemn the pain that this Government is so hell bent on inflicting.

The Territory has missed an opportunity to build our social and economic strength.