

2024 TERRITORY ELECTION POLICY PLATFORM

PURPOSE

This Policy Platform has been driven by Chamber NT and a senior NT business leaders working group to identify key priorities that face the incoming government and future Members of the Legislative Assembly. It is vitally important that Election 2024 policy platforms are publicly presented by NT political parties and candidates to ensure full transparency and accountability to the Territory electorate.

SUMMARY

The Territory economy is volatile, with peaks driven by large scale investment and deep troughs between projects. A small private sector relative to overall economic activity means troughs are deeper, with government unable to cushion economic falls and consequent impacts on revenues of locally based businesses. This challenging volatility has been with the NT for many decades, making business investment difficult and severely limiting own-source government revenues.

The Territory must move from having our hand out for help from others to a model of greater independence built on private sector growth, creating confidence in the economy, encouraging further private investment, and providing a foundation for population growth. This will lead to sustained economic growth, greater opportunities for diverse employment, and increased revenue to government.

Servicing very high and increasing levels of government debt draws scarce recurrent funds away from more productive uses. The Northern Territory Government must reduce debt and interest bills to divert revenue back to core services. Sound government budget management will help increase the credibility of the Territory as a place for investment, but ongoing debt and deficit will undermine business confidence.

We call on every party and aspiring political representative to prioritise ways to lift private sector investment, build the Northern Territory economy, reduce debt, and “Put the Territory Economy First” in all aspects of their future planning.

Collectively there needs to be clear measures of success and direction to provide all sectors of the community with a clear understanding of the challenges and the importance of a vigorous economy for the Territory’s future.

THE FIVE PILLAR PLAN FOR BUSINESS AND THE ECONOMY



STREAMLINING INVESTMENT PROCESSES & ENABLING REGULATIONS

The Northern Territory is a more difficult place to invest and do business in than some other Australian jurisdictions. It should be the most welcoming place in Australia for investment from small to larger businesses. Despite our natural advantages of ample land, a bounty of natural resources and boundless possibilities, there are many hurdles for investment.

Complex, lengthy and expensive assessment and approval processes and compliance requirements mean that many proponents fail to invest or look elsewhere due to high up-front costs, excessive time delays and strong levels of uncertainty. It is possible to reduce complexity and delays while protecting the environment and interests of the community. To achieve this, the next government should commit to:

- **Pre-qualifying environmental impacts of recurring activities**
 - The next government must reduce the time, complexity and cost of assessments, approvals, and regulation of business investment. Governments already utilise strategic environmental assessments to provide baseline data and impact information and enable rapid assessment of individual projects. The Northern Territory Government needs to develop a targeted risk approach to support vitally needed process improvements.
 - This approach should be extended to recurring activities in a region that are likely to have similar impacts to existing projects. Assessment templates that can be modified on a case-by-case basis to significantly reduce approval time will deliver quicker assessment and better outcomes for proponents and the Territory.
- **Tax and cost relief for businesses**
 - There must be no new or increased Territory taxes on businesses in the next term of government. Further, taxes on small business should be reduced by increasing the payroll threshold from which business contribute payroll tax. Current payroll tax records and thresholds indicate that there has been no increase since July 2011. We recommend that NT Payroll Tax threshold for business be increased to \$2.5 million.
 - The next government should also seek from the Australian Government measures that reduce federal tax burdens on Territory businesses and the broader community. This includes the re-establishment of a Northern Australia regional business and personal taxation relief zone which supports critically needed population and investment growth.
 - Energy costs for larger businesses are amongst the largest costs they face and have increased steeply in recent years, while taxpayer subsidies for smaller businesses mask an unsustainable rise in underlying electricity tariffs. The next government must get rising energy costs under control while additionally securing electricity grid stability and least cost electricity for both consumers and taxpayers.

- **Establish a Bureaucracy Process Improvement Program** to support the current Program Evaluation Framework (last updated in April 23 by Dept Treasury & Finance) to fast track the outcomes required by the framework which will significantly benefit the business community. Outcomes such as a single point of contact, shared knowledge and experience, access to expertise with common guidelines across agency boundaries, will reduce the contact time investment needed to apply, manage, and finalise the outcome by both proponent and the evaluating agency. The benefits to both the public and private sectors are clear, creating measurable and timely outcomes for overall benefit of the Northern Territory.
- **Review existing NT Insurance Costs**
 - The NT Insurance market is quickly approaching a point where it will be unaffordable for business and the community to pay their insurance costs. Other jurisdictions such as North Queensland are already dealing with this issue with no remedy in sight.
 - There is no sign that these costs will not continue to rise. The Federal Cyclone Reinsurance scheme will assist for a specific event, however, will have little to no impact on related post event flood damage unless redesigned.
 - A review of options to reduce insurance costs remains a key priority.



LIVEABILITY & POPULATION RETENTION

The Northern Territory has long struggled to attract and retain residents and workforces over the long term, with many of those who do arrive leaving after a short time. This erodes workforce capability and adds to business costs in a repeating cycle. It also undermines vital community-building. To improve population and workforce retention, the next government must improve multiple components of liveability:

- **Crime and antisocial behaviour**
 - Despite strong focus from government, business and Territory communities, crime and antisocial behaviour remains a critical factor affecting liveability throughout the Territory and therefore business (while also impacting business directly).
 - The continual impacts of these community issues create a drag on the economy, with losses of population and skilled workers interstate, higher business costs and declining business activity.
 - Recent government initiatives focusing on law and order, alcohol controls, domestic safety and youth justice provisions have each had mixed levels of success in curbing these growing problems. The next government must achieve sustained reduction in levels of crime and antisocial behaviour. Legal and social consequences of participation in crime and anti-social behaviour must be meaningful.
- **Cost of living**
 - The Territory experiences some of the highest cost of living of any jurisdiction in Australia. Logistics costs and shortages of supply have grown markedly since the pandemic. Fragility of these supply chain systems has also never been more evident.

- Territorians use more electricity and fuel than Interstate counterparts because of climate and distance, while the cost of air travel is expensive, particularly for urgent trips for family and medical reasons.
- The next government must address the factors behind the high cost of living, but avoid simply expanding taxpayer-funded subsidies, which reduce funds available for key government services.
- **Workforce shortages in services**
 - Shortages of workers in key services such as medical, education, childcare, emergency services and retail continue to impact the availability and quality of key services for Territorians. These limitations in key services create disincentives for workers and their families considering relocating to or remaining in the Territory.
 - A key example of these negative impacts is the substantial restrictions within the childcare industry throughout the Territory. An existing Katherine childcare facility urgently needs skilled workforce. Current workforce shortages restrict the business to operating at less than 40% capacity. This in turn restricts parents from accessing available job roles in their community thus becoming a severe financial negative for their families, and exacerbating workforce shortages.
 - A key to attracting and retaining services workers is to increase overall population and the keys to this are liveability and migration. Overseas students also provide an economic boost to the economy and also become important contributors to the Territory workforce. The next government must recognise students' important role and ensure that they continue to be attracted and welcomed to the Territory.
- **Housing availability and costs**
 - Lack of available dwellings in Darwin and regional centres drives up both purchase and rental costs, making it difficult for Territorians and new arrivals to access suitable places to live.
 - Delays in planning processes and reported delays in the release of development land packages have impacted the property development market often restricting investment and construction. This in turn has led to a shortage of cost-competitive housing throughout the Territory.
 - Financing of new dwellings is more difficult than many interstate locations due to bank lending policies, while insurance costs have soared due to risk re-rating. The next government must address housing shortages as a priority and support reintroduction of the First Home buyer scheme as a stimulus to the local construction industry and home buyer market.



ENCOURAGE POPULATION GROWTH

The Territory's population growth has been stagnant for at least a decade, with net interstate migration chronically negative. The inability of the Territory to grow its population in line with the rest of Australia limits our future ability to support economic development, to construct and

service major projects, to deliver ongoing services to businesses and communities, and to reap the benefits. While improved liveability is key (see Pillar 2), the next government must also address other factors, with priorities on:

- **Zone Tax Offset reform**

- Inflation over decades has eroded existing Zone Tax Offset rates to the point of being ineffective in compensating those who choose to live and work in Australia's remote north and pay financial penalties for doing so. State and Territory governments recognise the problem in paying substantial incentives to many essential services workers in the north.
- The next NT government must join with other states in demanding reform of the Zone Tax Offset scheme to once again make it an effective mechanism to incentivise and not penalise those who chose to live in the remote north.

- **Reward projects that achieve high local workforces**

- Faced with workforce shortages in the Territory, some construction projects and large resources operations, and even some specialised service providers, simply default to largely fly-in/fly-out workforces from interstate. The next government should reward businesses with reduced payroll tax if they achieve a local workforce target of at least 90%.

- **Incentivise local education and training**

- Many young Territorians leave the NT for their education, often with the best intentions of returning, but it is common that this does not occur, when careers and domestic circumstances are formed interstate.
- By ensuring schools, the university and registered training organisations deliver high standard curriculums and demand high standard outcomes oriented to employer needs, we can improve the retention of our youth and build local capability in our workforce.
- Significant focus is required to develop meaningful career advisory support services for schools in the Northern Territory. Currently there is little to no career advisory services supporting those at critical high school milestones or for school leavers seeking advice on entering the Territory workforce.
- The next government must continue reforms to education and training, expand business incentives to employ and train apprentices and introduce best practice career advisory services. Business stands ready to provide advice on curriculums and standards.

- **Skilled and student migration opportunities**

- The Territory needs workers now and many thousands more to fill the job vacancies created by post COVID workforce shortage and the potential jobs from the next wave of major economic developments.
- Overseas migration and interstate population relocations are a key to filling these vacancies. Many businesses wish to employ more apprentices but lack qualified tradespeople to supervise them.
- By promoting migration opportunities in key markets, prioritising granting of visas, ensuring effective testing and recognition of qualifications, and reducing the cost of migration entry, we can unlock skilled workforce shortage barriers we currently face.

- Increasing throughput of international students, including VET students, will also grow the pool of future Territory workers. The next government must ensure the Territory's interests are met in national migration and skills recognition arrangements and in the NT's Designated Area Migration Agreement being renegotiated by the end of 2024. Overseas as well as domestic students are also vital workforce contributors.
- **Upskill existing workforce**
 - Upskilling the Territory's existing workforce who already know and understand their industry and the Territory will improve retention and productivity. Focusing on advanced skills development for existing workers in turn provides additional entry level opportunities for new workers. This will allow vertical development within the Territory employment market by encouraging broader growth of workforce. This strategy further supports more diverse participation from within our local population.
 - The next government should commit to growing skills centres of excellence that focus on the development of advanced skilling in minerals, oil and gas, aviation, marine, and robotics & automation. This skilling focus will support current and future businesses and ensure that the Territory can remain competitive for investment and workforce retention.



ENABLING INFRASTRUCTURE

- **Developing Appropriate Infrastructure**
 - Adequate infrastructure that is resilient to natural and human-caused events is essential for businesses, liveability, and Territory development. The Territory continues to face interstate and internal supply chain disruption, particularly during significant weather events.
 - The next government must have a strong focus on improved transport infrastructure, including sealing and floodproofing much more of the 70% of the road network that is currently unsealed. Australian Government support is vital of course.
 - A further priority is the development of common user infrastructure to facilitate private sector investment, employment and economic diversification and to future proof the Territories supply chain resilience.
 - Understand the connection with regional community hubs as part of the development of the Territory's supply chain resilience.
- **Improvements to road and rail transport corridors**
 - Weather-caused cuts to Territory supply chains during the 2024 Wet Season have led to severe shortages of groceries, consumer goods and supply to business such as spare parts. Severe rain and flooding have highlighted the fragility of road and rail transport infrastructure. On average there are 8 days per annum of road closures within the Territory.
 - The next government must work closely with the Australian Government to accelerate improvements in resilience of transport infrastructure and supply chains, prioritising important economic routes that do not currently have all-weather capacity, such as roads to and from Arnhem Land.

- **Regional logistics and business infrastructure**

- The coming wave of development provides great opportunities for local economies in the Territory. Government's role is to ensure that business-enabling infrastructure is adequate to facilitate local investment necessary to service major projects and local populations.
- The next government should identify key enabling infrastructure for investment as well as upgrading regional logistics hubs to improve supply chain efficiency for both projects and local economies, and ensure that adequate serviced industrial land is provided at competitive cost to businesses.

- **Increased rail capacity and services**

- Investment by rail service provider Aurizon in land-bridging infrastructure and rail services is very welcome, as it will both increase freight throughput, improve supply chain efficiency and provide an economic boost.
- Investment in energy, minerals and Defence provides further opportunities for rail freight and the Port of Darwin. The next government should investigate and facilitate future rail infrastructure needs, such as construction of additional rail sidings and passing loops, in cooperation with rail operators and the Australian government and the linkage with the Port of Darwin.

- **Pipeline infrastructure**

- Onshore gas offers the biggest single economic opportunity for the Territory since the previous two LNG developments at DLNG and Inpex sites. New pipelines to Darwin as well as interstate markets must be timely and allow for expansion of throughput to meet future demand.
- The role of government is to allow timely pipeline development by providing or facilitating delineation of corridors, undertaking strategic assessments, and providing project assessments and approvals that meet commercial market needs.
- The next government should ensure that pipeline development is able to proceed rapidly while protecting the environment and safeguarding community interests, and that pipelines and corridors are adequate for potential future needs.



MAXIMIZE ECONOMIC BENEFITS

Activating each of Pillars 1 to 4 is vital to the economic development of the Northern Territory. But for full benefits to flow from investment in the form of government revenue, small and medium business activity, diverse employment opportunities and growing population, action is needed by governments.

The next Territory Government must ensure that the Territory makes the most of the next phase of economic development by ensuring:

- **Focus on key projects and businesses** through major and minor government processes, minimising complexity, duplication, and delay and avoiding unnecessary costs. Major projects inherently face more complex processes involving multiple agencies in Territory and

Commonwealth jurisdictions and will benefit from strengthening of intra government and inter-government coordination. Territory engagement with key Australian Government agencies such as the Northern Australia Infrastructure Facility and Clean Energy Finance Corporation need to be strengthened. The next government should also establish a mechanism to assist Territory businesses to improve access to Federal and Territory government grants and loans.

- **Collecting fair royalties and other revenue from major projects** that use both the Territory's non-renewable resources and renewable resources and do so in ways that ensures a steady flow of revenue in line with project progress. The next government should ensure that the new royalty regime and other taxes and charges deliver the revenue that the Territory deserves.
- **Greater engagement of Territory businesses and workers** in major construction projects, as well as ongoing operations, is a key vector through which the Territory gains lasting benefits from large-scale projects. The next government should update and expand the Territory Benefits Policy and apply the refreshed policy to all major projects to maximise sustained local benefits.

The time for strong commitments in Election 2024 has arrived in the Northern Territory.