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# J Northern Territory budgetary assistance estimates

For this year's *Trade & Assistance Review*, the Commission has developed estimates of the budgetary assistance to industry provided by the States and Territories for the years 2000-01 and 2001-02. The Commission's definitions, classifications and the methodology employed in compiling the estimates are set out in appendix B.

In this appendix, the Commission presents summary data on the budgetary assistance estimates for Northern Territory, together with detailed tables on the budgetary outlay programs contained in the estimates. The estimates should be interpreted in conjunction with the information and explanations in appendix B.

## J.1 Summary data

The estimates indicate that the Northern Territory Government outlaid around \$132 million in 2000-01, and around \$126 million in 2001-02, on programs that provide assistance to industry (table J.1). Some relatively minor tax concessions are included in these figures.

Of the \$126 million expended in 2001-02, at least \$103 million was directed to programs classified as having a general industry development objective (table J.1). The actual figure may be larger as some of the programs in the 'other and not classified' category may also have a general industry development objective (see appendix B).

Around \$1 million was directed to programs classified as having a regional industry development objective. Again, this estimate should be considered to be a lower bound. This is mainly because of the way the regional industry development category has been defined, in conjunction with the way the Commission has classified various programs. These have resulted in some significant assistance programs that support regional industries, in particular primary production, being excluded from the category (see appendix B). Were spending on primary production and mining by the Northern Territory Government to be included in this category,

the total expenditure on regional industry development assistance would have amounted to some \$50 million in 2001-02.

Table J.1 **Northern Territory Government budgetary assistance program outlays, by sectors and objectives, 2000-01 and 2001-02**

\$ million

	2000-01	2001-02
<b>Principal objective</b>		
Industry development	108	103
Regional industry development	1	1
Other or not classified	23	21
<b>Sector</b>		
<i>Primary production</i>	43	40
– General industry development	43	40
– Regional industry development	..	..
– Other or not classified	..	..
<i>Mining</i>	9	9
– General industry development	4	4
– Regional industry development	..	..
– Other or not classified	6	5
<i>Services</i>	60	57
– General industry development	41	40
– Regional industry development	1	1
– Other or not classified	17	16
<i>Manufacturing<sup>a</sup></i>	..	..
– General industry development	..	..
– Regional industry development	..	..
– Other or not classified	..	..
<i>Unallocated<sup>a</sup></i>	21	20
– General industry development	21	20
– Regional industry development	..	..
– Other or not classified	..	..
<b>Total</b>	<b>132</b>	<b>126</b>

.. Nil. Figures may not add up to total due to rounding. <sup>a</sup> The unallocated category contains programs for which the Commission could not obtain sufficient information on program beneficiaries to allocate the program to a particular sector. As noted in appendix B, the Commission considers that outlay programs in the unallocated category appear likely to predominantly assist the manufacturing sector.

Source: Commission estimates.

The estimates also include \$21 million of programs for which the principal objective of the program has not been classified, or which have 'other' objectives,

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such as environmental, cultural or equity goals, but provide incidental assistance to industry.

A further breakdown of the estimates, by both objective and sectoral incidence, is provided in table J.1.

In terms of the sectoral distribution, \$57 million was spent on programs that provide assistance to the services sector, while \$40 million was allocated to programs that assist primary production. The table shows that no funding has been recorded as assisting the manufacturing sector. However, as discussed in appendix B, the Commission considers that many of the programs in the unallocated category appear likely to predominantly assist manufacturing.

The Commission has estimated that the Northern Territory Government provided total payroll tax concessions in the order of \$65 million to non-social welfare related businesses in 2000-01. The Commission notes that some level of general concessions, based on payroll tax thresholds can be justified on tax-efficiency grounds, and that not all of the concessions can be counted as industry assistance (appendix B).

## **J.2 Detailed data**

Table J.2 describes different aspects of the Northern Territory government programs included in the Commission's estimates. For each output, program or sub-program, the table provides information (where available) on:

- the government agency responsible for the program;
- the program's scope, mode of funding and other program details;
- the program's main objective as classified by the Commission;
- the sectoral incidence of assistance as determined by the Commission; and
- funding estimates.

**Table J.2 Northern Territory Government budgetary assistance program outlays, 2000-01 and 2001-02**

Agency Output Program	Description	Objectives <sup>b</sup>	Sector <sup>c</sup>	Funding (\$ million) <sup>a</sup>	
				2000-01	2001-02
<b>DEPARTMENT OF INDUSTRIES AND BUSINESS</b> (changed to the Department of Business, Industry and Resource Development in November 2001)					
<i>Regional Development</i>	Provision of assistance via the Regional Development Fund, policy and strategic advice, development of regional masterplans and development of tourism.	Regional industry development	Services	1.0	1.1
<i>Industry Investment and Attraction</i>	Attraction and facilitation of investment.	Industry development	Unallocated	1.2	1.3
<i>Business Development</i>	Provision of advice, information and training services to businesses on management, development, technology, research and e-business.	Industry development	Services	4.2	4.2
<i>Defence and Major Projects Support</i>	Promotion of local business opportunities emerging from development of major industry projects and the defence industry via organising showcase events, seminars, information dissemination and extension services.	Industry development	Services	1.4	1.0
<i>Financial Assistance</i>	Administration and provision of grants, subsidies and loans to assist individual businesses and peak industry organisations.	Industry development	Unallocated	18.5	17.4
<b>Sub-total for Department of Industries and Business</b>				<b>26.3</b>	<b>25.0</b>
<b>DEPARTMENT OF ASIAN RELATIONS AND TRADE</b> (changed to the Department of Business, Industry and Resource Development in November 2001)					
<i>Asian Relations and Trade</i>	Facilitation of new trade and investment projects with Asian countries through provision of information, advice and support services.	Industry development	Services	5.4	5.4

Table J.2 Northern Territory (continued)

Agency Output Program	Description	Objectives <sup>b</sup>	Sector <sup>c</sup>	Funding (\$ million) <sup>a</sup>	
				2000-01	2001-02
<b>Sub-total for Department of Asian Relations and Trade</b>					
<b>DEPARTMENT OF MINES AND ENERGY</b> (changed to the Department of Business, Industry and Resource Development in November 2001)					
<i>Resource Development</i>	Provision of information, advisory and facilitation services to industry and agencies for development of primary resources sectors.	Industry development	Mining	3.8	3.8
<i>Regulatory Services for Mine Management</i>	Regulatory services for mine management in relation to safety, resource recovery and environmental management.	Other or not classified	Mining	3.8	3.7
<i>Regulatory Services for the Petroleum Industry</i>	Regulatory services for the maintenance and grant of petroleum title, and for safety, environmental and resource management.	Other or not classified	Mining	1.7	1.4
<b>Sub-total for Department of Mines and Energy</b>					
<b>DEPARTMENT OF PRIMARY INDUSTRY AND FISHERIES</b> (changed to the Department of Business, Industry and Resource Development in November 2001)					
<i>Development of Pastoral Industry</i>	Development of export markets, research, protection of health of livestock and provision of veterinary laboratory services.	Industry development	Primary production	13.7	12.0
<i>Development of Agriculture Industry</i>	Various services to assist agriculture, including provision of information and skills, and research for crops, pasture, irrigation, land availability and land use.	Industry development	Primary production	5.1	4.6
<i>Development of Fishing Industry</i>	Various services to assist fishing industry, including business development, research and promotional activities.	Industry development	Primary production	5.7	5.3

Table J.2 Northern Territory (continued)

Agency Output Program	Description	Objectives <sup>b</sup>	Sector <sup>c</sup>	Funding (\$ million) <sup>a</sup>	
				2000-01	2001-02
<i>Development of Horticulture Industry</i>	Services, including research to improve industry productivity, and market development support, to the vegetable, fruit and ornamental flower industries.	Industry development	Primary production	4.1	4.9
<i>Intellectual Capital and Property</i>	Services to industry on management of intellectual property rights.	Industry development	Primary production	0.0	0.0
<i>Ecologically Sustainable Development of Primary Industry</i>	Various services, including: resource protection and market access; chemical analysis of soils, plants, pesticide and water; disease control; and aquatic resource management.	Industry development	Primary production	13.1	12.2
<b>Sub-total Department of Primary Industry and Fisheries</b>				<b>41.7</b>	<b>39.0</b>
<b>TRADE DEVELOPMENT ZONE AUTHORITY</b>					
<i>Trade Development Zone</i>	To administer and encourage the development of an export-processing zone via various services, including: land sales, infrastructure development, investor services, information and support services.	Industry development	Unallocated	1.3	1.3
<b>Sub-total for Trade Development Zone Authority</b>				<b>1.3</b>	<b>1.3</b>
<b>DEPARTMENT OF SPORT AND RECREATION</b> (changed to the Department of Community Development, Sport and Cultural Affairs in November 2001)					
<i>Optimise the Opportunities and Performance of Northern Territory Athletes</i>	Provision of coaching, support programs and training to athletes through the Northern Territory Institute of Sport.	Other or not classified	Services	2.4	2.3

Table J.2 Northern Territory (continued)

Agency Output Program	Description	Objectives <sup>b</sup>	Sector <sup>c</sup>	Funding (\$ million) <sup>a</sup>	
				2000-01	2001-02
<i>Manage Quality Competitions and Events</i>	Management of the Alice Springs Masters Games and Arafura Games, and sports awards.	Other or not classified	Services	3.1	2.6
<b>Sub-total Department of Sport and Recreation</b>				<b>5.4</b>	<b>4.9</b>
<b>DEPARTMENT OF ARTS AND MUSEUMS</b> (changed to the Department of Community Development, Sport and Cultural Affairs in November 2001)					
<i>Public Programs</i>	Funding of arts exhibitions, education programs and public events presented by museums and art galleries, and performing arts and cinema programs.	Other or not classified	Services	4.9	4.9
<i>Cultural Sector Support</i>	Financial assistance and services to the arts and museum sector; maintenance and management of physical infrastructure for major arts and museum organisations.	Other or not classified	Services	4.2	4.0
<i>Collections Management</i>	Funding of the Territory's arts and cultural collections.	Other or not classified	Services	2.0	2.0
<b>Sub-total for Department of Arts and Museums</b>				<b>11.0</b>	<b>10.8</b>
<b>NORTHERN TERRITORY TOURIST COMMISSION</b>					
<i>Market Research</i>	Market research to develop tourism products and infrastructure.	Industry development	Services	1.2	1.4
<i>Destination Image</i>	Tourism advertising and marketing campaigns.	Industry development	Services	8.2	7.6

**Table J.2 Northern Territory (continued)**

<i>Agency Output Program</i>	<i>Description</i>	<i>Objectives<sup>b</sup></i>	<i>Sector<sup>c</sup></i>	<i>Funding (\$ million)<sup>a</sup></i>	
				<i>2000-01</i>	<i>2001-02</i>
<i>Conversion</i>	Information services and ensuring availability of tourism products to consumers.	Industry development	Services	12.9	12.8
<i>Destinational Resource Capability</i>	Assistance to tourism operators to improve service levels and develop tourism products and infrastructure.	Industry development	Services	4.4	4.5
<i>Territory Discoveries</i>	Packaging of Northern Territory tourism products to private sector retailers.	Industry development	Services	0.8	0.8
<i>Cruise Ship Support</i>	Marketing of the Darwin cruise ship terminal at the Wharf Precinct.	Industry development	Services	0.2	0.2
<b><i>Sub-total for Northern Territory Tourist Commission</i></b>				<b>27.7</b>	<b>27.3</b>
<b>DEPARTMENT OF INFRASTRUCTURE, PLANNING AND ENVIRONMENT</b>					
<i>Marine Industry Support</i>	Funding for repairs and maintenance of the Francis Bay mooring basin, which is used primarily by fishing and associated commercial marine operations.	Industry development	Primary Production	1.1	0.8
<i>Wharf Precinct</i>	Funding for repairs and maintenance of Darwin Wharf Precinct – which includes a cruise ship terminal and recreation/entertainment area.	Industry development	Services	2.2	2.0
<i>Infrastructure Development</i>	Capital works, repairs and maintenance of the Hidden Valley Race Circuit, the venue for the V8 Supercar round in Darwin.	Other or not classified	Services	0.2	0.2
<i>Public Transport</i>	Provision of free public bus services for Darwin round of V8 Supercar Series.	Other or not classified	Services	0.1	0.1

Table J.2 Northern Territory (continued)

Agency Output Program	Description	Objectives <sup>b</sup>	Sector <sup>c</sup>	Funding (\$ million) <sup>a</sup>	
				2000-01	2001-02
Environment Impact Assessment	Environmental impact analysis for major development projects.	Other or not classified	Services	0.3	0.3
<b>Sub-total for Department of Infrastructure, Planning and Environment</b>				<b>3.8</b>	<b>3.4</b>
<b>TOTAL BUDGETARY OUTLAY ASSISTANCE<sup>d</sup></b>				<b>131.9</b>	<b>126.1</b>

.. Nil; na not available. Figures for individual programs may not add up to total due to rounding.

**a** Funding estimates were derived as follows.

- The estimates are compiled for 2000-01 and 2001-02 only, using *The Budget 2001-02* (Northern Territory Government 2001) and information provided by Northern Territory Department of Treasury. This is to facilitate comparison across States and Territories on the same reporting

- The funding estimates are gross outlays as identified in the *Budget 2001-02*. This is to be consistent with the approach adopted in IC (1996) in reporting State assistance to industry.

**b** Program objectives are classified according to whether the main aim of the program is to promote:

- general industry development;
- regional industry development;
- other objectives — such as cultural objectives for funding of the arts; or
- not classified — programs which are difficult to allocate into one of the above categories.

**c** To give some indications of the incidence of assistance based on the information available, the Commission has classified the programs according to the broad sectors to which they primarily benefit. These sectoral classifications include:

- primary production — agriculture, forestry and fishing;
- manufacturing;
- mining;

- services; and
- unallocated — information is not available to determine the incidence of assistance.
- d** The outlay data includes some minor tax concessions that are costed in state and territory budget papers as part of the overall expenditure for an agency or investment incentive program.

*Sources:*

- Industry Commission 1996, *States, Territory and Local Government Assistance to Industry*, Report No. 55, AGPS, Canberra, October.
- Northern Territory Government 2001, *The Budget 2001-02*, Budget Paper No. 2, Government Printer, Darwin.