

Ward Keller

# NT BUDGET 2016/17

Leon Loganathan  
Managing Partner

Darwin | Palmerston | Casuarina | Parap

[www.wardkeller.com.au](http://www.wardkeller.com.au)

# Taking the temperature

	2014-15	2015-16e	2016-17f
GSP	10.5%	2.1%	1.5%
Population	0.1%	0.6%	1.0%
Employment	-0.6%	1.5%	0.3%
Unemployment rate	4.2%	4.6%	4.4%
CPI	1.4%	-0.3%	0.7%
Wage price index	2.6%	2.2%	1.9%

- Economic growth has come crashing back to earth and is forecast to be subdued for the next 12 months.
- The NT is going to experience deflation this year, yet wages are still increasing.

Source: Page 6 2016/17 Budget Paper No.2

# The 'D' word

	2015-16 Estimate	2016-17 Budget
2015-16 Budget	-\$285m	-\$174m
2015-16 Mid-Year Report	-\$274m	-\$211m
2016-17 Budget	-\$153m	<b>-\$794m</b>
Variation	\$132m	-\$620m

- This year's deficit came in well under budget mainly due to deferred capital expenditure on Remote Indigenous Housing and road programs.
- A deterioration of economic conditions has forced the government's hand to stimulate the economy and forget about a surplus for the foreseeable future.

Source: Page 10-11, 2016/17 Budget Paper No.2

# Anatomy of a budget blowout

	2016–17 variations
<b>Revenue</b>	
Stamp duty	–\$55m
GST	–\$145m
Mining royalties	–\$32m
Dividend and other revenue (TCorp)	–\$52m
<b>Expenses</b>	
New initiatives: hospital, tourism, health, housing	\$154m
Revised timing of Commonwealth grants expenditure	\$212m

Source: Pages 12-15, 2016/17 Budget Paper No.2

# NT Revenue 2015/16

	2015-16 Budget	2015-16 Estimate	Variation
Mining and petroleum royalties	\$168m	\$194m	\$26m
Payroll tax	\$274m	\$280m	\$6m
Stamp duty	\$152m	\$138m	-\$14m
Taxes on gambling	\$77m	\$74m	-\$3m

- Decrease in stamp duty take is due to lower turnover of residential transactions and a decrease in the average value of those transactions.

Source: Page 56 and 58, 2016/17 Budget Paper No.2

# Tollner's tradies

- \$20 million stimulus package
- Up to \$2,000 per owner occupied home to undertake minor improvements, repairs and maintenance
- Payment made on a 50:50 co-contribution basis
- Applies to one invoice
- Materials cannot exceed 30% of the total cost
- Commences 1 July 2016
- Tradies need to register and be local

# Quentin's concession

- From 24 May to 30 June 2017, first home buyers of established homes receive a stamp duty discount of 50 percent on the duty otherwise payable up to a maximum of \$10,000
- Eg. \$500,000 established home
- Stamp duty is normally \$24,750
- With the concession, stamp duty would be \$14,750

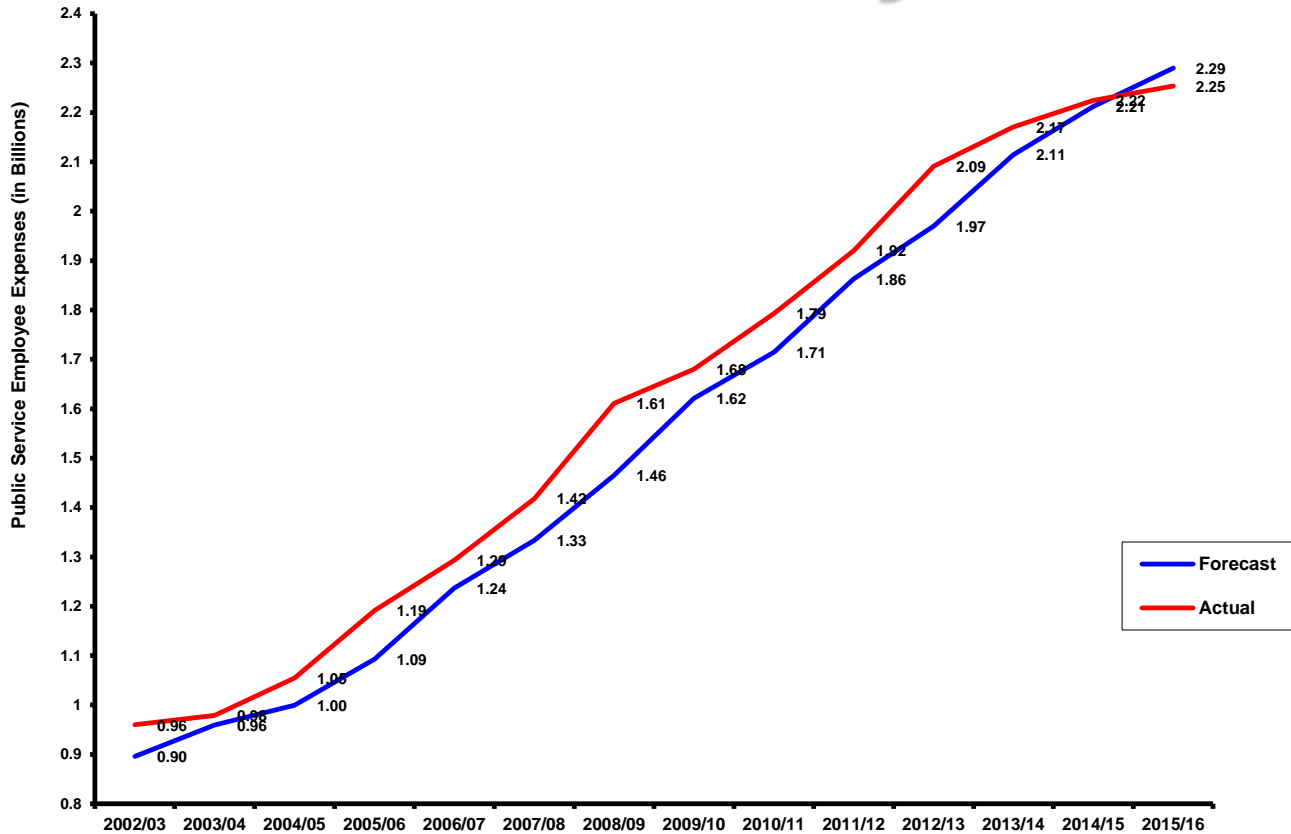
Source: Page 56 and 58, 2016/17 Budget Paper No.2

# Election wish list

- Abolishing stamp duty on non-real property transfers (goodwill, intellectual property, plant and equipment, licences and receivables) like South Australia and Victoria
- Corporate reconstruction exemption for unit trusts like New South Wales, Victoria, Western Australia, ACT and Queensland
- Exemption for transferring business from sole trader to company
- Exemption for transferring own business property to SMSF



# Public Service Payroll Growth



Ward Keller