



NORTHERN TERRITORY
***of* AUSTRALIA**

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Member for Fong Lim

HANSARD EXTRACT

**TREASURY MID YEAR REPORT &
AUDITOR-GENERAL'S REPORT TO
LEGISLATIVE ASSEMBLY**

THURSDAY 28 NOVEMBER 2024

This extract is taken from the Official Hansard of the Legislative Assembly of the Northern Territory

As I mentioned in my maiden speech, I was born on Christmas Day. Therefore, it is fitting that I close my speech with some inspiring words of optimism from someone else born on this day:

*If life seems jolly rotten
There's something you've forgotten
And that's to laugh and smile and dance and sing
When you're feeling in the dumps
Don't be silly chumps
Just purse your lips and whistle, that's the thing
And
Always look on the bright side of life*

I wish all members and staff of the Legislative Assembly a merry Christmas and a happy new year.

Dr RAHMAN (Fong Lim): Madam Speaker, what a fantastic segue to come from the Member for Karama's reflection of always looking on the bright side of life because I will speak to you about looking on the bright side of our financial fortunes.

Today a couple of pieces of important financial reporting came out. While many of my hardworking colleagues were being accessible to people in the mall at lunchtime, I am pleased to note that members of our government also made time to hear the Auditor-General's report to the Legislative Assembly explained in detail.

The 2024–25 Mid-Year Report reinforces and reiterates a lot of what was foreshadowed in the Treasurer's Annual Financial Report in October. I am sorry to say that there is not particularly good news in it for any of us. Over the Christmas break if you are looking for light reading, I encourage you to take a bit of time to work through this because it will give you a good picture of where things are at.

One figure I draw out of this new information is that our population growth in the year ending June this year has become even worse. Of all the facts and figures that I have given you, I hate to report that it is still getting worse. It is now a 0.7% year-on-year change at a time when we have been spruiking that we will have 1.1% population growth. In fact, we need 2.5% year-on-year population growth to support any of our economic aspirations.

It is a serious issue. What is even more serious is that this document, the 2024–25 Mid-Year Report, will confirm that net interstate migration is this year at a historic low; it is the worst it has ever been at this point.

Mrs Carlson: Why is that?

Dr RAHMAN: Why is that? I take the interjection from the Member from Wanguri.

In truth, it may correlate with the economic policy choices of the last government—the last remnants of the last government period are covered in this data. It is time for us to draw a line in the sand, move forward and do what we can on this side to improve those figures. I will not speak any further about that report today; I will let you look at it in your own time.

I want to spend a bit more time on the Auditor-General's Report to the Legislative Assembly November 2024. This is important because it is an independent assessment of what our public service does. This independent assessment goes above and beyond, is not politicised and makes important observations that I think are worth looking at for everyone.

This report has the results of audits, key findings and financial performance of various entities for the year ending 30 June 2024 and entities, mainly in the education sector, for the preceding calendar year. The scope of the efforts in this report are confined to what we can do under auspices of the *Audit Act*, and that may be something worth reviewing in the future, noting that there is significant disparity between what the NT Auditor-General can do and what Auditors-General can do in just about every other state and territory.

Audit coverage of general government sector revenue covers only 34% of what we do in revenue; it is only \$2.6bn of \$7.7bn that the Auditor-General looks at in terms of whether it has been well allocated and well earned. Likewise, coverage of general government expenditure is only 32%—\$2.7bn of \$8.3bn.

What then of our operating performance? What is the assessment by the Auditor-General? The first thing to note is that our net operating balance in 2022–23 was a modest surplus, but again it was attributable to GST recalculations—basically a rising national pool and the Northern Territory share improving.

In 2023–24 there was a \$638m deficit, and that is about employee expenses, back payments in enterprise agreements and specifically the cost of agency and medical staff and overtime costs—things that I have drawn attention to before that are bankrupting our system. It is stuff we cannot ignore for much longer; that is the brutal truth of it.

In revenue and expenditure there is a growing gap. The important thing to understand is that the linear extrapolations of the lines between revenue and expenditure are getting wider and have been since 2016, which probably speaks for itself. Revenue year on year is at 4%, whereas expenditure grows at 5% annually. We must bring those lines closer together. There was a point where they intersected, and that was a long time ago.

Public sector staffing has grown by 12% over the last decade, which is not commensurate with population growth, even remotely. Our population growth has been less than 4%, and our public sector growth has been in excess of 12%. Employee expenditure went up by 50% from 2014 to 2024. Of greatest concern to me—I believe it should be of great concern to all of you—is the consistent gaps in that period between the budgeted and the actual and the one, two and three-year forward estimates.

Every year we say that we will fix it next year, the year after or the year after that. Then we come back and say, 'We blew the ceiling off it again'. Something is not right there, and the Auditor-General is asking us to take that seriously and look at it.

Our total cash deficit is \$771m, and our liabilities are a staggering \$9bn in borrowings in the general government sector, but the real travesty is that interest on loans and advances is now \$328m. That is up from \$290m last year; that is a lot of interest. Honestly, unless we tackle it headfirst, we will be in real trouble soon.

I will not say more about these facts and figures; I simply implore all of you to please take the time to look at these documents, which take a lot of time, effort and energy to produce and to communicate. They are frequently not looked at with any real effort.

One of the reasons we have such a large amount of interest payable is that over time we have focused on spending on infrastructure, some of which clearly has not manifested and has not been necessary. It is the source of a lot of our financial woes. The pursuit of ventures of vanity rather than essential and critical infrastructure in some places is why we are having conversations about where we will find the money to underground powerlines or rebuild suburban infrastructure.

In addition to essential and critical infrastructure it is important to think about enabling infrastructure, which is the stuff we need to get a leg up to the next level. In the interests of it being the last sitting day, I will not cite literature. However, the urban planning literature will tell you that if you want a strong head on a body, you need a strong neck. The metaphor is one in relation to Darwin CBD, Darwin itself and what leads into it. Fortuitously, I am the member for the neck; Fong Lim and the Stuart Highway corridor leading into the city, even on the Tiger Brennan side, is an area that has fallen apart in terms of investment in enabling infrastructure over a long period. I commit to you that I will be fighting for that in the year coming. Unless we stabilise and strengthen the neck, we will not be able to prop up the head or the body of the Northern Territory.

I look forward to us working collectively in the year ahead towards rebuilding the economy over the coming years. I see glimmers of hope in this place about the capacity to collaborate. I am heartened by the manner in which proceedings have been conducted under the auspices of an Independent Speaker. Everybody has been given ample opportunity to express themselves in this space. I implore all of us to make the best use of the time we have.

I promise at this time next year I will wear one of my many Santa suits and not speak about the economy at this time. I hope that when I do so I will be spreading jovial joyful news about how the economic prospects of the Northern Territory have improved and that there is hope on the horizon.

I wish all of you a merry Christmas and happy new year. I hope you and all your families will be safe and have a prosperous new year and a relaxing break ahead of you.

There are numerous people to thank. I simply say to all the people of Fong Lim, thank you for entrusting me with the opportunity to represent you. I shall do my best for you in the coming year.

Mrs LAMBLEY (Araluen): Mr Deputy Speaker, it is nice to be on the floor of the Chamber; I have missed it. It has been a big year. The election brought big changes, and it is great to have so many new members in the Chamber. I have enjoyed meeting you all, getting to know you and hearing your different perspectives. I have thoroughly enjoyed that over the last two sittings. It is great to have familiar faces here, too. The people who have been returned to parliament are now seasoned performers, and most of them are ministers. It is wonderful to see people develop in their roles.

I miss some of my former colleagues who did not make it. It is a strange and weird experience to work in this place. The new members will be getting a feel for that. You form peculiar relationships; some of them turn out to be enduring and enriching, and others are not.

It is the silly season, the festive season, and a time to celebrate everything that is positive in our communities and electorates. Like a few others have said already, I do not intend to list many people's names. It has always been my privilege to be the Member for Araluen, the Independent voice in Alice Springs. I feel like I represent all people in Alice Springs, not just the people of Araluen. It continues to be an incredible honour.

I thank the people of this Chamber for electing me as their new Speaker. I am enjoying it; it is a thrill. It is so different and a more positive role than I ever imagined. People are nice and polite to you, not that I have had much of the opposite. It is a thrill, so I thank you for voting me in.

I lost Jo and David from my electorate office straight after the election. David worked for me for five years, and Jo had been there for donkey's years—probably close to 10 or at least eight. They both left town straight after the election.

I have two new wonderful staff members in the Araluen electorate office, Holly and Ashleigh. We are getting to know each other and are settling in. David has become my executive assistant in the Office of the Speaker, so that is lovely. We are like two peas in a pod; he knows what I am thinking and what I need, and I think I know what he is thinking and needs.

That is what happens when you work with staff so closely in your electorate offices and other parts of your duties as a member of parliament. You must have people you trust, like and know. You come to love them. They are an implicit part of how you function, who you are and how to represent yourself in the community. I have been fortunate to have great people around me, as other people have also expressed.

To the DLA staff, who I am getting to know well in my new role, thank you.

It is standard to thank the lovely people who work in Hansard, who are almost faceless as we do not see them, but their job is incredible. They listen to every cough, stutter and fabulous speech we give, and I thank them.

To the cleaners who empty our bins and make everything nice in our suites, thank you so much. They slip in and out and help us in incredible ways.

The DLA staff we do see in the Chamber, working in committees and throughout parliament are incredibly competent and smart people. I thank them again.

It has been a great week in parliament. Sitting here this week has been incredible. I mention the contributions made by you all in the 50th anniversary of the Legislative Assembly motion, the motion this morning on the 50th anniversary of Cyclone Tracy, the condolence for Nick Dondas, the condolence the Member for Mulka initiated for Ms Yanthalawuy—what a week. It has been terrific. It has been full of emotion and people being honest, frank, lovely, caring and empathetic. That is what we are about in this Chamber.

At the end of the day, we are a group of people, half of us not ever expecting to end up in a position like this. We are in such a fortunate position to acknowledge, help and do positive things. This week has been incredible. I thank you for the honour and dignity that we have shown towards our fellow Territorians.

We all need a break at this time of year. It is a difficult job. A lot of it is thankless and unseen. A lot of assumptions are made about who we are and how we use our time, but it is 24/7. Listening to the Member for Karama telling us what he is doing over the next couple of weeks exemplifies what we do and how we go above and beyond almost daily.