

ESTIMATES OPENING REMARKS

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MINISTER FOR BUSINESS

Submission No: Tollner

Signed: [Signature]

MINISTER FOR EMPLOYMENT AND TRAINING

**MINISTER FOR DEFENCE LIAISON AND DEFENCE
INDUSTRY SUPPORT**

THE HON DAVID TOLLNER MLA

TUESDAY, 10 JUNE 2014

- This Government is about driving economic growth and development in the Northern Territory and maximising the opportunities for business and the community to benefit from economic growth.
- The Territory economy is in great shape and the future prospects are bright. We are paying back Labor's projected \$5.5 billion in debt to secure our children's future to ensure they have the same prosperity and opportunities that we enjoy.
- Under the Giles Government, Territory economic growth is forecast at 5.0% in 2013-14 driven by private sector investment, export growth and improved household consumption. This growth rate is twice the national forecast
- Private investment is driving the Territory economy, comprising 91% of total investment. In the year to March

2014, State Final Demand increased by over 5.6% to \$28 billion.

- The labour market remains resilient despite challenges nationally. The unemployment rate in the Territory in April 2014 dropped to 3.8% compared to a national unemployment rate of 5.9%.
- The strength of the labour market is reflected in the underemployment figures with only 3.0% of Territorians seeking to work longer hours compared to a national average of 7.5%.
- But our good fortune cannot be taken for granted and it should not be squandered through the profligate spending associated with the former government and others of its colour.
- Our current opportunities are diverse. We have abundant gas reserves to provide energy, the world's demand for food has reached a crucial stage and the rest of Australia (and the region) is starting to realise that Northern Australia is the future of our nation.
- Locally, as a Minister, I am committed to ensuring that Territory businesses can make the most of the opportunities provided by the rapid growth of the economy.

- On the Ichthys LNG project alone, since January 2012 over \$5 billion has been committed to Territory businesses.
- And it is not only business that is benefitting, over 2,800 Territory residents are employed on this one project.
- The Territory is very much open for business, and the portfolios within my responsibility are delivering innovative programs to support the economy, the labour market and opportunities for business.
- The Giles Government is committed to the development of northern Australia along with the Commonwealth, Western Australia and Queensland governments.
- Unlike Labor, this Government is constantly talking up the opportunities in the Territory to potential investors. Northern development went nowhere under Labor as the ALP preferred to pursue misguided agendas such as the toxic shires rather than promote opportunities in the Territory.
- The Department of Business has worked closely with the Department of the Chief Minister to help advance this project under the stewardship of Peter Carew.
- Unlike Labor, this Government wants to have an open and frank relationship with the business community. To give the business community the means to raise issues directly

with me, I have formed the Business Advisory Council. It is convened regularly to seek input from leaders in the business community. The Council includes a diverse mix of skills, experience and industry focus with representation from across the regions.

- Meetings have been held in the regions including in April this year in Nhulunbuy where the Council met with local business representatives. The Business Advisory Council has provided valuable input into developing the Department's approach to many issues including procurement reform and red tape reduction.
- Reducing the former Government's red tape remains a key focus for the Giles Government. We want to remove impediments to business, drive economic growth and improve government accountability and efficiency.
- In 2013, the Department created a Red Tape Reduction Business Advocate with a dedicated hotline. To date, the advocate has assisted a number of businesses to navigate government requirements.
- This Government has committed a further \$450,000 to the establishment of a Red Tape Abolition Squad within the Department and the recruitment of this team is already under way.

- The Department has developed a range of procurement reforms to streamline processes for businesses that are suppliers to government.
- The reforms are being rolled out from 1 July 2014, making it easier for private enterprise to do business with government by reducing the complexity of the government procurement systems.
- As outlined earlier, the Territory has strong labour market growth. One of the key roles of the Department is to develop a capable labour market through appropriate training and education opportunities. By working with business, we tailor programs to the needs of industry.
- In 2013, there were almost 2,400 apprenticeship and trainee commencements in the Territory across a range of industry sectors and regions. In the same time, there were 1,093 apprentice and trainee completions.
- During 2013, Department supported Australian Apprenticeships NT to trial the Apprentice Best Fit Program. The program encourages commencements, reduces withdrawals and increases completion rates. The program assessed 100 participants to help them discover better suited careers and work environments. The trial was a success and Australian Apprenticeships NT will continue to implement this program.

- In partnership with the Commonwealth, the Department will continue the Stronger Futures Local Jobs program to deliver up to 100 additional traineeships for Indigenous Territorians in remote communities by June 2016.
- The Department also safeguards business and the labour force through Workforce NT. During 2013 the Department commenced a review of the *Workers Rehabilitation and Compensation Act* to address ambiguity and simplify processes. Funds have been allocated to complete the review in the next financial year.
- The construction sector continues to grow with employment increasing by over 12.6% in the year to February 2014. To support the growth of a skilled workforce, the Department contracted with the Master Builders Association NT and the Housing Industry Association to train 70 workers in the Certificate IV in Building and Construction (Building).
- The significant Defence presence in the Northern Territory is also a focus. The Department already invests in the growth of Defence Businesses through a program called 'Growing Defence Business'. In addition, the Department will invest \$150,000 in defence related community activities including Defence Welcoming Expos and the Anzac Spirit Study Tour.

- The business of Government is not only about making the most of opportunities for growth but also responding to changes in the business and economic environment. This Government responded quickly and decisively to the announcement of the change to Rio Tinto Alcan's presence in Gove.
- The Department has supported the Gove business community through the Gove Assistance Program by increasing its presence in Gove. The Department has approved 61 applications for business support grants to Gove business with commitments over \$625,000.
- The Department has further strengthened its commitment to the regions with \$260,000 committed in the 2014/15 Budget to foster economic development in the Tiwi Islands. This will provide a range of business-focused services through a monthly "pop-up" Territory Business Centre.
- The Department also support indigenous employment through the Indigenous Workforce Participation Program rolling out workforce initiatives across the Territory.
- 2014 sees the Department and the business community celebrate the 20th anniversary of October Business Month. We have planned a full program of activities across the

Territory to engage further with business and celebrate the strength and diversity of our business community.

- The Department has achieved these outcomes under the stewardship of Chief Executive Alastair Shields, and his team continues to work hard to improve and create a strong business operating environment in which local firms can prosper.
- Thank you.

End.