Territory’s GST Share Revised Up

Treasurer, Delia Lawrie, today welcomed the release of the Commonwealth Grants Commission’s (CGC) 2011 update report.

The CGC 2011 update report provides the basis for the distribution of GST revenue between states and territories.

“Compared with the 2010-11, the Territory’s share of GST revenue will rise from 5.2 per cent to 5.6 per cent,” Ms Lawrie said.

“If this GST share was applied in 2010-11, the Territory would have received an additional $136 million in GST revenue.

“The Territory’s small population means our ability to generate our own taxes is limited and that GST makes up about two-thirds of our overall revenue.

“Importantly the CGC continues to recognise the Territory’s unique circumstances of delivering essential services to remote areas and above average expenses due to our large Indigenous population.

“While the upwards revision is welcome, with strengthening national labour markets, the Territory’s population growth is expected to moderate in coming years following strong growth in the past five years.”

The CGC estimates the Territory’s GST revenue will increase by $316 million from 2010-11 to 2011-12, however this is based on estimates made in the Commonwealth’s Mid Year Report and may change significantly.

The final year on year change in the Territory’s GST revenue will be affected by population and national GST collections.

“Forecasts for growth in the national GST pool are expected to be subdued as the Australian economy continues to recover from the global economic recession and as Federal Stimulus funding winds down,” Ms Lawrie said.

“The Henderson Government will continue to prudently manage the Territory’s economy while investing in our infrastructure to protect Territory jobs.”

Contact: Campbel Giles 0407 972 900