MEDIA RELEASE

DECADES OF DEBT

Tuesday May 01st, 2012

Territorians will pay in excess of $1 billion in interest repayments as a result of the Labor Government’s failure to reign in debt.

Opposition Leader, Terry Mills, said Labor’s latest Budget has saddled Territorians with enormous interest repayments, decades of debt and record budget deficits.

“This was a budget designed to save Labor’s political bacon,” Mr Mills said.

“The Government has continued to spend without constraint on the basis that somebody else will have to clean up the mess in the future.

“The Government’s spending spree has left the Territory with a $491 million budget deficit, $100 million more than forecast last year. By 2015-16, the deficit will still be an enormous $278 million.

“Debt will more than double from $1.7 billion this financial year to $3.6 billion by 2015-16 – about $35,000 for every man, woman and child in the Territory.

“In 2010, the Government said the Territory’s net debt would be $1.68 billion by 2013-14 – but that figure has blown-out to $3.1 billion.

“The Government’s failure to properly manage the budget is extremely disturbing.

“Over the next five years annual interest repayments will be approximately $175 million, $209 million, $252 million, $312 million and $341 million - $1.29 billion that should have been spent providing front-line services such as
police, nurses, doctors and teachers to Territorians.

“The Government has abandoned its promise to balance the budget by 2015 and now has no plan in place to balance the books.

“In 2001, Labor described the debt to revenue ratio of 61% as unsustainable and reckless – but is now putting Territorians into debt at a ratio of 74% of revenue.

“It is appalling that the Government is using taxpayers’ money to buy an election win.

“Territorians are paying for the Government’s re-election campaign – and will continue to do so for many years to come.

“After years of unprecedented GST windfalls, Labor has placed the Territory in a very difficult fiscal position – but it lacks the capacity to get us out.”

Further comment: Terry Mills 0418 833 594