LABOR FINALLY ADMITS TO FINANCIAL MISMANAGEMENT

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Treasurer David Tollner says the former Labor Government has finally admitted to being an irresponsible government and has confessed to spending well beyond their means.

Mr Tollner said after months of denial, a senior Minister in Delia Lawrie's former Labor Government has revealed their failure to adhere to the basic principles of good financial management.

The Member for Casuarina, Kon Vatskalis, said in Parliament: “We borrowed the money because we knew we were going to leave a legacy behind us.”

Yes, a legacy of debt. They even borrowed money to pay wages.

Mr Vatskalis claims: “These are the kinds of decisions we sometimes have to make.”

The legacy left behind was a $5.5 billion black hole that the Country Liberals Government is now facing.

“This reinforces Delia Lawrie's former government had no concern for the future and only focused on winning votes in the lead up to the August election,” Mr Tollner said.

“Clearly, Labor could not be trusted with financial responsibility and doing what was right for future generations of Territorians.

“Labor was willing to rack up the credit card to leave an enormous financial black hole with no regard for the consequences.

“This type of behaviour is akin to borrowing money to pay off interest on your credit card. The Global Financial Crisis happened as a result of this type of irresponsible spending.”

This goes against the Northern Territory Fiscal Integrity and Transparency Act which is the framework for the conduct of government fiscal policy.

The Act states that a government must manage financial risks faced by the Territory prudently, maintain Territory debt at prudent levels and ensure that funding for current services is to be provided by the current generation.

“The former Labor Government clearly did not adhere to these principles and borrowed money to pay salaries that they could not afford,” Mr Tollner said.

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