Nicole Manison
Treasurer

**Territory hit with $2 Billion GST cut**

24 March 2017

The Northern Territory has been hit with a two billion dollar revenue cut following the release of GST updates at the Council on Federal Financial Relations (CFFR) in Canberra today.

Treasurer Nicole Manison said it is difficult to overstate the impact of these changes on the Territory with 50 per cent of our revenue coming from the GST.

“This is a massive blow for our Budget and unprecedented in the Territory’s history,” Ms Manison said.

“These cuts are roughly the equivalent of 5000 teachers or nurses per year.

“Over the next four years, around $2 billion dollars in revenue will be cut.

“Conditions we have inherited have created the perfect storm – a combination of slowing population growth, a reduction in the GST relativity from 5.4 per cent to 4.7 per cent and a smaller GST pool combining to smash our share of the GST.

“In an urgently called meeting with Federal Treasurer Scott Morrison today, I delivered a blunt assessment of the devastating effect this GST shortfall will have on the Territory budget.

“He has taken those concerns on board and has agreed to continue working together.

“This is a tough test for the Territory, but one this Government will meet head on, in partnership with business, industry and all Territorians.

“The GST changes come at a time when we are already facing considerable challenges – the transition of INPEX to an operational phase, slow population growth, and a huge deficit left by the former CLP Government.

“But the Gunner Labor Government has promised to put jobs first and we will deliver on that promise. This Budget will create and support jobs for Territorians and deliver on our election commitments.

“We will continue to invest heavily in infrastructure, support jobs, encourage private investment and deliver crucial core services to Territorians,” Ms Manison said.
Estimated reductions in GST over the next four years are 2017/18 $385 million; 2018/19 $434 million; 2019/20 $533 million; 2020/21 $570 million.

The Northern Territory Budget will be delivered on Tuesday 2 May 2017.

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