TERRITORY BUDGET TIGHT FOLLOWING TREASURERS’ CONFERENCE

Treasurer Syd Stirling said today the Federal Government had not reinstated the $48M a year loss in the Territory’s GST relativities incurred in 2004.

Speaking from the Treasurers’ Conference in Canberra, Mr Stirling said the Territory’s total GST in 2005-06 will be $1832M.

“This is the result of increased growth in the Territory’s population as forecast by the Federal Government’s preliminary population estimates,” Mr Stirling said.

“However, this could be offset by slowing economic growth at a national level, which could see our GST figure revised down.

“It means we are facing a tight budget situation, with little extra money for new initiatives.”

Mr Stirling said also at today’s conference all States and Territories had agreed the Commonwealth’s offer on tax reform was unacceptable.

“States and Territories have agreed to hold further discussions about tax reform over coming weeks,” he said.

“The Territory Government supports tax reform through the Intergovernmental Agreement, but we won’t be bullied by Federal Treasurer Peter Costello.

“States and Territories need the opportunity to discuss how tax reform can be progressed in a sensible, sustainable way – not in a way that will see the Territory sent into an unsustainable deficit situation.

“Unfortunately at today’s meeting the Federal Treasurer made no commitment to assist the States and Territories to implement the tax reform, despite sitting on a multi-billion dollar surplus.

“Despite this, the Territory Government is committed to implementing further tax reform and keeping our deficit down while continuing to invest heavily in key areas such as Health, Education, Police and infrastructure.”

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