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Leaked Cabinet Document Shows 2005 Labor Budget Not Worth the Paper it is written on

The 2005 Labor Budget will not be worth the paper it is written on after yesterday’s Australian Bureau of Statistics release showing inflation in Territory increasing to 2.1% from 1.9%.

The Country Liberal Party Leader Denis Burke said that a leaked Cabinet document shows that the 2005 Labor Budget have revised their CPI indexation rate down from 2.5% last year to 1.6% this year. This would have the effect of rendering all government departments short of millions of dollars because of the use of an understated inflation rate.

“The leaked document shows that an indexation rate of 1.6% will be used this year when in fact, the current inflation rate in the Territory is much higher at 2.1%,” Mr Burke said.

“The Treasurer’s own economic review even states that the CPI inflation rate is above 1.6% at 1.9%. If inflation is increasing from 1.9% in December 2004 to 2.1% in March 2005, then it would not take a rocket scientist to see that this year’s Budget will be severely under-funded.

“The Labor government has thus ensured that government departments will be millions of dollars out of pocket in real terms for the next year.

“As the money starts to evaporate, the departments will be forced into making cuts to either staff, services or programs.”

“The Labor government are making a mess of the management of this critically important Budget. With the use of incorrect figures how can anyone believe anything the 2005 Budget says?