1st May 2005

A five way test for Labor’s fourth Budget.

The litmus test for Labor’s fourth Budget is will it stand up to scrutiny in the short and long term.

Country Liberal Party Leader Denis Burke said with Clare Martin unwilling to go to the Estimates process before an election, doubt is already being cast the assumptions, deliverability and validity of the 2005-06 Budget.

Below are just some of the questions that are already being raised about the 2005 Budget:

Will it deliver immediate and significant tax relief to business?

Will it deliver immediate and significant tax relief for individual Territorians?

Fact

Over the past four years stamp duty conveyancing has increased by 157%, insurance taxes are up by 83% - the largest increase of any state or territory. The tax take on stamp duties had almost doubled from $53 million to $101 million.

Will it deliver immediate and significant funding increases for infrastructure and construction works in the Territory and inject the sector with new confidence?

Fact

Over the 12 months to the December quarter 2004 engineering construction activity collapsed by $100 million. Since coming to office the Martin government has not initiated or completed one major project.

Will it bring our population growth up to the national average of 1.2%?

Fact

The latest ABS data shows that the Territory’s population growth is shrinking and is growing at just 0.7% compared with an average annual growth rate of 1.8% during the 1990s (which was above the national average)
Will it be framed in accordance with current CPI of 2.1%?

**Fact**

*Last week leaked Budget papers revealed the Budget will be based on outdate CPI figures of 1.6% which means the Budget will have a shortfall of $20 million.*

Will it cut our growing unemployment rate?

**Fact**

*ABS data reveals that the Territory’s unemployment has grown by more than 20% from 4.8% to 6.1% over the past year.*

The Country Liberal Party has already committed to cut taxes to the value of $67.2 million if elected to government and will act to return some of the river of GST funds back into the pockets of Territory businesses and families.

Mr Burke said, “Labor’s has a track record of failure with its Budgets. Not one has been delivered where spending targets have not blown out.

“Already over $90 million of promises have been made in the past month while commitments in previous Budgets have not been fulfilled such as the construction of the Palmerston High School.

“This Budget has been framed using outdated CPI figures and is not worth the paper it is written on.

“The favourite at the Alice Springs Cup has a better chance of staying the distance than this Budget will have of standing up to long term scrutiny.”