30 January 2005

Treasury Figures Reveal GST Windfall

Recently released Federal Treasury figures indicate a huge increase in GST revenue received by the Northern Territory since its introduction according to Opposition Leader Terry Mills.

“I challenge the Martin government to tell Territorians the real size of the extra revenue it has received from the Federal government since the GST was introduced.

According to the Federal Treasury, the Territory will receive $1.72 billion in GST receipts in the 2004/2005 financial year, $134 million more than it would have if the GST was not introduced.

Since the introduction of the GST in 2000, the Territory is better off to the tune of over $500 million of extra funding.

“At the time the GST introduced, the then Opposition Leader Clare Martin heavily criticised it and foretold doom and gloom for the Territory’s finances. Fortunately for the Territory this hasn’t been the case and now, the Martin government is the beneficiary of a huge windfall.

The 2001 Percy Allen report forecast that the Territory would receive $1.5 billion in GST receipts in 2003/2004. In fact, the Territory received $1.68 billion according to the 2004/2005 Mid Year Report, a huge increase of $180 million.

“A Media Release from Clare Martin in June 2001 said,

‘On this anniversary of the introduction of the GST, which has done so much to harm the Territory’

AND

‘Rather than being the boon for the Territory promised by the CLP, the GST has done us considerable harm’.

“If an extra $500 million has harmed the Territory, it is only through the Martin government’s inability to use it to stimulate the economy and create jobs.

“Despite Clare Martin’s tales of woe, the Territory has received a huge amount of extra funding and the real tale of despair is the fact that we have had three years of nil economic growth and now have the highest unemployment rate in the country”.

ENDS