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Territory Wins the First Fight in GST battle

Treasurer, Delia Lawrie, won the first round today in the fight against Victoria to protect the Territory’s fair share of the Goods and Services Tax (GST) by achieving Commonwealth support to adopt the 2011 relativities.

The Commonwealth Grants Commission (CGC) which sets the GST relativities had recommended a relativity increase for the Northern Territory from 2010 to 2011, a potential GST revenue gain of $136m for the Territory.

At the Treasurers Conference held in Canberra today Victoria tried unsuccessfully to continue on 2010 relativities pending the outcome of the new GST review announced last week by the Commonwealth Government.

“The Territory receives its fair share of the GST and I will fight any attempt by the large states to strip funding away from us to their benefit. Today’s win showed we’re up for the fight and we’ve won the first argument,” Ms Lawrie said.

“It was also very pleasing to hear the Federal Treasurer Wayne Swan strongly re-affirm the importance of horizontal fiscal equalisation as the founding principle of the GST carve-up which ensures all Australians have the opportunity of an equitable access to services.

“The Federal Treasurer’s comments bode well for the Territory’s arguments in the coming months on the importance of supporting small jurisdictions to meet the challenges of emerging economic growth needs and service delivery across vast geographic areas and Close the Gap of Indigenous disadvantage.”

Treasurers also approved oversight of National Partnership funding agreements, including the important National Health Reform and discussed the Federal Government’s tax forum to be held later this year.

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