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MARTIN GOVERNMENT NOT SAVING FOR A RAINY DAY

The Territory Opposition are concerned the Martin Government is frittering away the revenue bonanza of the GST and will be badly exposed in the event of a downturn in the Australian economy.

“Financial prudence demands the Martin Government maintain fiscal discipline yet by the Treasurer’s own admission Government expenditure will jump an additional \$50 – 70 million this year,” says Terry Mills, Deputy Opposition Leader.

“That increase in \$50 – 70 million in costs is just to tread water; it won’t see improvements in the services currently delivered by the Government.

“As a consequence of such undisciplined spending when the Treasurer is told of an additional \$20 million in GST revenue, he continues to plead poverty.

“This Government has ridden the wave of an extraordinary GST-led increase in Government revenues, but is in danger of being dumped when the wave runs out.

“Despite receiving more than \$2 billion per annum from the GST, the Government has failed to fire proof Government spending.

“Treasury has been warning the Government for years that a downturn in GST revenues poses a genuine threat to the financial position of the Territory Government.”

The 2004 – 2005 Budget Paper No 2: Fiscal and Economic Outlook provided the following stark warning:

The Territory’s high dependence on GST revenue, and the inherent difficulties in forecasting GST revenue, pose a significant risk to the Territory’s budget position.

That warning has been repeated at each subsequent budget but has had little or no impact on this wasteful Government.

“Syd Stirling should be able to say we have prepared for leaner times; instead he seems to expect revenues to continue to grow forever,” says Mr Mills.

Further comment: Terry Mills 0418 833 594

