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OPPOSITION LEADER

Media Release
5 February 2018

For immediate circulation

Taxing the Territory

Territorian's cost of living could increase by up to $6,700 per family under the Labor government's proposed tax hikes, highlighted in its *Revenue Discussion Paper*, first circulated in November.

The new taxes, discussed in the document, which include a land tax, increased car registration fees, payroll tax increases and the introduction of a bank tax are all on the table under the Labor's plan to offset some of its own unnecessary spending and drive up the cost of living for Territorians.

Estimations based on the information provided in the government's own *Revenue Discussion Paper* indicate the following taxes could be introduced. This how they may affect the average Territory family:

NEW LAND TAX	CAR REGISTRATION INCREASE	PAYROLL TAX INCREASE	NEW BANK TAX
$4800	$900	$600	$400

Which equates to, in real Territory terms:

FUEL FOR A FISHING TRIP (@ $1.489/litre)	SMASHED AVOCADO AT BRUNCH (@ $18)	TERRITORY ICED COFFEES (@ $3)	MANGO SMOOTHIE (@$6)
3,220 litres fuel	**50 weekend brunches**	**200 drinks**	**66 smoothies**

Leader of the Opposition, Gary Higgins said these taxes will hurt Territorians and businesses.

"Now is not the time to be increasing the cost of living or introducing new taxes, Labor should cut back its own spending.

"Territorians are concerned by the rising cost of living and the downturn in our economy, and this uncertainty is not helping to attract private sector investment or to improve the current economic climate.

"The Labor government is being wasteful with Territory tax payer dollars and introducing new taxes, or increasing existing costs, is not the best approach.

"As these figures show, Territorians will need to cut back on things they enjoy, like fishing trips and outdoor activities, dining out and entertainment, to fund Labor's spending habits on things Territorians don't need," said Mr Higgins.

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Taxing the Territory: in black and white

Territory Labor has a plan to increase taxes, and with it, the cost of living for Territorians.

The Revenue Discussion Paper, circulated by the government, illustrates the very real possibility that Territory families could be paying up to an additional $6700 per year, in taxes, to live and do business in the Northern Territory.

This revenue raising will fund part of Labor's spending on things Territorians don't want, nor need, in the current economic climate.

Territorians and businesses are already feeling the pinch of a slowing economy, the last thing we need is to increase existing or introduce new taxes that drive up the cost of living.

Labor's proposed tax plans could cost Territorian families up to $6700. This figure is taken from Labor's very own *Revenue Discussion Paper*, which was circulated in November.

Any tax increase (or introduction) is significant and the Opposition encourages Territorians, businesses and advocacy groups to submit their thoughts to government on the proposed increases by 28 February via https://revenuepaper.nt.gov.au/

LAND TAX

The Labor Government want to introduce a land tax. A figure of $300 per year is cited in the Revenue Discussion Paper (p30, Table 7.6), however other figures are also examined.

The minimum 1.6% per annum currently levied in New South Wales would mean a land tax of $4,800 per year on the average Darwin home. [1]

CAR REGISTRATION

The Labor Government is considering increasing the annual registration fee. Under one scenario, matching the highest taxing jurisdiction, a **Corolla** goes from $738 to $1066, an **additional $328 per year or a 44 per cent increase.**

The Labor Government is considering increasing the annual registration fee. Under one scenario, matching the highest taxing jurisdiction, a **Patrol goes** from $1097 to $1646, an **additional $549 per year or a 50 per cent increase.**

For the **average Territory family with two cars** these changes will **add $877 per year** to the cost of living.

PAYROLL TAX

Labor want to increase the number of businesses paying Payroll Tax by 3,383.

The Labor Government is considering changing payroll taxes by lowering the threshold and removing exemptions. All of these additional costs will ultimately be passed on to the consumer meaning that every Territorian may be **paying up to $562.50 more** for goods and services each year.[2]

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[1] The $11,100 is based on the applying the highest property tax rate examined in the RDP. The workings for the Government's $300 figure are an unimproved capital value (UCV) of $300,000 x 0.1%= $300 [market value approximation is $520,000]. In South Australia, the assessment is exactly the same as what is being proposed in the RDP (i.e. UCV) except the rate in SA is 3.7%. Hence $300,000 x 3.7%= $11,100. The 1.6% per annum land tax levied in NSW is applied to all land, but there are generous exemptions in place for non-foreign owners of their principal place of residence.

[2] To arrive at the $562.50 extra per Territorian figure, one adds the revenue forecast from adjusting the tax free threshold ($24m), reducing exemptions ($30m), reforming the rate to match the ACT payroll tax rate of 6.85% ($81m)[Workings: every 0.1% change =$6m per annum additional, (6.85%- 5.5%= 1.35%) x $6m= $81m].Adding $24m+$30m+$81m=$135m, divide by an approximation of the NT population of 240,000 equals $562.50 additional cost per Territorian per year.(RDP, p 18-22).

BANK TAX

This could mean an additional **$100 per year for every Territorian.**

If the Labor Government goes with a rate of levy similar to the Commonwealth, then the cost to every Territorian would be $400 per year in extra fees and charges.[3]

These figures and further information can be found at https://revenuepaper.nt.gov.au/

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[3] The $100 and $400 per Territorian per year figures are based on the anticipated revenue raised by the levy i.e. $24m divided by the NT population of approximately 240,000 (RDP, p43). The $24m figure is based on the South Australian Bank Levy rate of 0.015%. The Commonwealth rate is 0.06%, or 4 times higher than the rate proposed in SA. Hence why the range of additional costs to consumers varies from $100 to $400 per Territorian per year.