BUILDING A STRONG FUTURE FOR TERRITORY BUSINESS

Budget 2006 backs Territory businesses to grow into the future, with tax cuts, strategic investment, a strong infrastructure program and targeted support, Business Minister Paul Henderson said today.

“Local businesses are the backbone of our economy and crucial to the Territory’s strong future,” Mr Henderson said.

“The Government has supported business since it came to office in 2001.

“Budget 2006 sees the Government’s tax reductions reach $74 million since 2001 with a commitment to another $134 million of tax reductions.

“The Northern Territory is now the lowest taxing jurisdiction in Australia for businesses with up to 100 staff. It is an achievement of which the Martin Government is very proud,” said Mr Henderson.

FURTHER CUTS TO PAYROLL TAX

Budget 2006 continues the Martin Government’s payroll tax reforms. From 1 July 2006, the payroll tax threshold will be lifted to $1.25 million – the best in Australia.

58 extra businesses will no longer pay payroll tax, bringing the number of businesses no longer paying as a result of these reforms to a total of 187.

More than 1300 businesses will directly benefit from the lifting of the threshold, with locally based Territory businesses that continue to pay payroll tax expected to save - on average - an additional $13 500 in a year.

Budget 2006 also sees the removal of stamp duty on unquoted marketable securities and on the granting or renewal of leases and franchises.

Over the next three years, the Territory Government will also remove stamp duty on hiring arrangements and on the business component of non-residential conveyancing.

STRONG INFRASTRUCTURE SPENDING

Budget 2006 includes $482 million in spending on infrastructure, taking total Government infrastructure spending to $2.7 billion since 2001.

This record spending means more work for local businesses, more jobs for Territorians and a strong investment in building the Territory’s future.
Also this year, a further $100 million will be committed to the Darwin Waterfront and Convention Centre, creating many flow-on benefits for local business.

**BUILDING THE FUTURE OF TOURISM**

As one of the Territory’s biggest employers and a major supporter of local business, the tourism industry will benefit from ongoing strong spending on marketing and communications in Budget 2006.

Tourism marketing will benefit from a Government decision to make an additional $10 million an ongoing part of the Tourism budget.

This year the Tourism Marketing budget will be $27.6 million with the total Tourism budget reaching $38.3 million.

**POWER SUPPLY BOOST**

Supporting a reliable power supply is a focus of Budget 2006. Business will be supported with a major investment in the reliability of generation and supply across the Territory. This investment includes:

- $25 million for a new power generation unit at Channel Island Power Station
- $7.5 million for additional generation in Alice Springs
- $5 million for a new Archer substation in Palmerston

**SUPPORTING BUSINESS BY SKILLING TERRITORIANS**

Budget 2006 also supports business by continuing Government’s efforts to develop a skilled Territory workforce with an $84 million investment in employment and training programs.

This includes:

- around $37 million for Charles Darwin University
- $4.4 million for School to work transition programs
- $1.5 million for employer incentives
- $1.1 million for employee incentives

**SUPPORT FOR BUSINESS THROUGH INDUSTRY ASSISTANCE**

Budget 2006 supports business with substantial funding for direct industry assistance.

This includes:

- $1.1 million for support to industry peak bodies, such as the Chamber of Commerce
- $650 000 for business management and capability programs
- $587 000 for economic development initiatives for Indigenous Territorians
- $500 000 for regional economic development support
- $470 000 for business information and licencing services through the network of Territory Business Centres
“The Territory economy is growing and the Martin Government wants to ensure that local businesses reap the benefit of that growth,” Mr Henderson said.

“Budget 2006 continues our ongoing efforts to build a strong future for Territory businesses with more tax cuts, strong infrastructure spending, more support for training and investing in key industries and strategic projects.”

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