

Supporting Business with Tax Cuts and Infrastructure Spending

Record tax cuts for Territory business and the largest ever infrastructure program are the key elements for business in the 2004-05 Budget.

Following the tax cut initiatives, the Territory will be the lowest taxing jurisdiction for small business in Australia.

The 2004 Budget tax reforms by the Martin Labor Government are the most significant ever delivered by a Territory Government and deliver small business the most competitive tax environment in Australia.

Along with a record \$441 million infrastructure program, the 2004-05 Budget will deliver economic growth and development sustaining thousands of Territory jobs.

No payroll tax until payroll reaches \$1 million

- Payroll tax threshold moves from \$600 000 to \$800 000 on 1 July 2004 and increases again to \$1 million on 1 July 2005.
- \$7.2 million a year saved by business from 1 July 2005.
- 1 400 businesses will be better off, the biggest winners being locally-based Territory businesses.
- These changes mean an average saving for locally-based Territory businesses of \$20 500 per year.
- More than 125 Territory businesses will stop paying any payroll tax after 1 July 2005.
- Payroll tax rate reductions maintained – down from 6.5 per cent to 6.2 per cent since the Martin Government was elected, saving businesses a total of \$1.5 million per year.

HIH levy abolished

- HIH levy immediately abolished on all workers' compensation insurance policies written and renewed on or after 18 May 2004 – 8 years early.
- HIH levy now expected to be \$22 million, down from the original estimate of \$50 million
- Government now absorbing the full cost of outstanding claims left after the collapse of HIH.
- \$2.7 million saved by 6 600 Territory businesses – an average of \$800 a year for a small business; while a medium-sized business will save on average \$1 600.

Debits tax abolished

- Debits tax abolished from 1 July 2005.
- \$6.2 million saved per year by Territory businesses and households.



Highest infrastructure program ever with record cash levels

A record \$441 million investment in Territory infrastructure, delivering more jobs and growth for Territory business.

\$1.3 billion in just three years has been spent on strategic infrastructure by the Martin Government.

Helping business to grow

- \$260 000 for Upskill Short Courses which provide advice and mentoring support to business.
- \$225 000 for the Business Growth Program, helping established businesses to grow.

Cutting red tape

- Ongoing funding for the Territory Business Channel, an on-line business licensing, registration and payment service.
- Ongoing funding for Connect:NT so businesses can be assigned a specific case manager for Government-related needs.

Opening up new business opportunities

- \$358 000 for the Trade Support Scheme, to build new overseas trade opportunities and business partnerships.
- \$300 000 for FarmBis, which supports Territory primary producers and land managers to develop new skills in business and natural resource management.
- \$300 000 for the Pastoral Water Enhancement Scheme.

Developing industry

- Ongoing support for the five-year \$95 000 Manufacturing Industry Strategy: Making it in the Territory.
- \$345 000 for the five-year NT Business and Skilled Migration Strategy.
- Continuing to work in partnership with the Information and Communications Technology industry to grow new jobs and business opportunities.

Listening to business

An initiative of the Martin Government, the Business Round Table is held 10 times a year around the Territory, giving small business and industry the chance to talk directly to Ministers about business issues.