

**PAUL HENDERSON
MINISTER FOR BUSINESS AND INDUSTRY**

3 May 2005

BACKING LOCAL BUSINESS

The Martin Government is backing local business and Territory households with record tax cuts, a skills and training boost, and strong infrastructure spending, Minister for Business and Industry Paul Henderson announced today.

“Today’s budget brings the total tax cuts since 2001 to \$40 million and it foreshadows a further \$40 million in tax cuts over the next five years, making the Martin Government the most tax reforming Government in the Territory’s history,” Mr Henderson said.

“Our strong economy means more than 80% of the value of Government tenders over \$50,000 goes to local business.

“Budget 2005 continues the Martin Government’s efforts to back local business.”

MAKING THE TERRITORY THE LOWEST TAXING JURISDICTION

From July 2006, the Territory will be the lowest taxing jurisdiction for Territory businesses with up to 100 staff. This gives local business a strong competitive edge over the rest of Australia.

Less tax for business also means more local jobs.

Since 2001, the Territory Government has reduced taxes for Territory businesses and households by \$40 million per year. Budget 2005 outlines a further \$40 million in tax cuts over five years, including cuts to stamp duty and other business taxes.

FURTHER CUTS TO PAYROLL TAX

From 1 July 2005:

- The payroll tax-free threshold rises to \$1 million, with 61 locally-based Territory businesses no longer paying payroll tax. Locally based Territory businesses continuing to pay the payroll tax will save an average \$20,500 a year.

From 1 July 2006:

- The payroll tax-free threshold rises to \$1.25 million – the equal highest in Australia – with 53 additional locally-based Territory businesses no longer paying payroll tax. Locally based Territory businesses continuing to pay payroll tax will save an average \$11,400 extra a year.

From 1 July 2004 to 1 July 2006, the Martin Government’s payroll tax changes will mean 215 Territory businesses will no longer pay payroll tax, including 180 locally-based Territory businesses.

Locally-based Territory businesses continuing to pay after 1 July 2006 will save an average \$31,900 per year.

RECORD INFRASTRUCTURE SPEND

Since 2001, the Territory Government has invested \$2.23 billion on building the Territory, with spending on projects like building or upgrading roads, schools, hospitals, port facilities, sporting grounds. That means more work for local business and jobs for Territorians.

In Budget 2005, \$476 million will be spent on infrastructure.

Small local business will be better supported with a 40% increase in the minor new works budget to \$28.6 million. The minor new works threshold will also be increased from \$150,000 to \$300,000, which means businesses will get work faster.

REFORMING PROCUREMENT TO SUPPORT LOCAL BUSINESS

Local businesses win 80% of the value of all Territory Government tenders over \$50,000.

To improve the procurement process further and better back local business, Government has:

- Funded improved government industry procurement liaison with local business to ensure that procurement processes work for them
- Introduced a 30-day payment guarantee.
- Simplified the tender process for contracts worth between \$10,000 and \$50,000 so businesses don't wait as long for contracts to be let
- Introduced a Value for Money policy, which means contracts are awarded to tenderers that best meet Government's requirements. Requirements include:
 - Local development opportunities, such as jobs for Territorians and staff training
 - Timeliness of supply, such as whether the business has a local presence
 - Total cost of supply
 - Past performance, capacity and experience of the tenderer

RECORD 10,000 TERRITORIANS IN TRAINING

Local businesses need a skilled workforce. Budget 2005 continues the Martin Government's strong commitment to boosting the number of Territorians in training. This includes:

- Support for a record 10,000 trainees and apprentices over the next four years
- a new Workwear Workgear cash bonus of up to \$500 to help new trainees and apprentices get started in their career
- 40 new Vocational Education and Training scholarships a year worth \$4000 each
- \$500,000 for *Build Skills NT* – a program to upgrade workers' skills
- \$4.4 million for VET in Schools
- \$400,000 for pre-employment training programs
- \$200,000 for *Work Ready NT* a program to improve school to work transition
- \$35.2 million for VET courses at Charles Darwin University

“The Martin Government is backing local business to grow by significantly cutting tax, spending record amounts on infrastructure, improving procurement processes and building a skilled workforce,” Mr Henderson said.

“Budget 2005 continues to build on Government's efforts.”

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