

**SYD STIRLING  
TREASURER**

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**BUDGET 2005 – BACKING TERRITORIANS WITH  
LESS TAX, LOCAL JOBS AND BETTER SKILLS**

Budget 2005 is backing Territorians by delivering record tax cuts, strong infrastructure spending, local jobs and better skills, Treasurer Syd Stirling announced today.

“The Martin Government will cut nearly \$40 million in ongoing taxes in Budget 2005, including record payroll tax cuts, making the Territory the lowest taxing jurisdiction for a small business with up to 100 staff from July 2006,” Mr Stirling said.

“The cuts also make the Martin Government the most tax reforming Government in the Territory’s history.

“Government has outlined a further \$40 million in cuts over the next five years, including cuts to stamp duty and other business taxes.

“Budget 2005 will also see \$476 million spent on infrastructure, taking to \$2.23 billion the Martin Government’s total spending on infrastructure since 2001, including on projects like building or upgrading roads, hospitals, schools, port facilities and sporting grounds.

“The record tax cuts and infrastructure spending backs Territory business and means more local jobs.

“Building a skilled workforce is also a centre piece of Budget 2005, with a record 10,000 Territorians to be trained over the next four years.

“The Budget also focuses on initiatives that promote our great Territory lifestyle, deliver safer communities and continue our record spending on health and education.”

**RECORD PAYROLL TAX CUTS**

In Budget 2005, the Martin Government will continue to cut payroll tax to back local business. The payroll tax threshold has been doubled from \$600,000 to \$1.25 million since 2004.

From 1 July 2005:

- the payroll tax-free threshold will rise to \$1 million
- 79 businesses will no longer pay payroll tax
- Bigger locally-based Territory businesses continuing to pay payroll tax will save an average \$20,500 a year.

In addition, from 1 July 2006:

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

From 1 July 2004 to 1 July 2006, the payroll tax changes will mean 215 Territory businesses will no longer pay payroll tax. Locally-based Territory businesses continuing to pay will save on average \$31,900 a year.

## **STAMP DUTY CUT FOR FIRST HOME OWNERS**

In Budget 2005, the stamp duty threshold for first home buyers goes from \$125,000 to \$200,000.

From May 3 2005, first home buyers will not be required to pay any stamp duty on the first \$200,000 of their new home, putting around \$2.7 million back into the pockets of Territorians. Around 1400 Territorians a year will benefit from this initiative.

The \$1500 stamp duty rebate for people buying a home to live in will also continue.

## **ELECTRONIC DEBIT TRANSACTION DUTY AND DEBITS TAX ABOLISHED**

- Electronic Debit Transaction Duty will be abolished from 1 July 2005, saving Territory businesses and households over \$2.4 million in 2005-06
- Debits Tax will also be abolished from 1 July 2005, saving Territory businesses and households \$6.2 million in 2005-06

## **\$476 MILLION INFRASTRUCTURE SPEND**

Since 2001, the Martin Government has committed \$2.23 billion in cash to projects like building or upgrading roads, hospitals, schools and port facilities, which is backing local business and providing thousands of local jobs.

Budget 2005 invests \$476 million, with more spending on minor new works and strategic infrastructure, including \$137 million for Territory roads.

Minor new works spending will be boosted by 40% to \$28.6 million, which means more work for smaller local businesses and more jobs for Territorians.

The minor new works threshold will also rise from \$150,000 to \$300,000 which means smaller businesses will get work faster.

## **A RECORD 10,000 TERRITORIANS IN TRAINING**

Budget 2005 continues the Martin Government's efforts to build a skilled, flexible workforce for local business and Territorians.

The Budget also introduces four new training initiatives – *Build Skills NT*, aimed at upgrading existing workers skills, WorkWear WorkGear Bonus of up to \$500, 40 new VET scholarships at \$4000 each and a *Work Ready NT* initiative aimed at improving school to work transition programs.

It includes funding for a range of initiatives aimed at getting a record 10,000 Territorians in training over the next four years.

## RECORD SPENDING ON HEALTH, EDUCATION AND POLICE

Budget 2005 includes record Health and Community Services spending of \$687 million. The Martin Government has lifted spending on Health by 43% since 2001-2002.

The Employment, Education and Training budget is a record \$582 million – an increase of 22% since 2001-2002.

Police, Fire and Emergency Services spending is \$189 million – an increase of 38% since 2001-2002, with funding targeted at building the police force and getting more police on the beat.

“Budget 2005 delivers less tax, local jobs and better skills to back Territory businesses and families,” Mr Stirling said.

“It also supports our great lifestyle and delivers better health, education and police.”

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