

Budget Initiatives

Overview

This chapter summarises the Government's new and expanded initiatives for expenditure and revenue included in the 2005-06 Budget, along with the significant new works on the 2005-06 Capital Works Program. This listing does not include items that were announced in the 2004-05 Budget but did not commence until 2005-06.

Expenditure initiatives, including operating and capital payments, are either one-off or ongoing in nature. The Capital Works Program shows the total cost of each project, not the cash allocation in the budget year. Initiatives in this chapter are presented according to the Government's priority areas of:

- Economy and Business;
- Jobs and Training;
- Schools;
- Community Safety;
- Health and Community Services;
- Lifestyle and Environment; and
- Regional Initiatives.

The table below provides a summary of all initiatives.

Summary by priority area	2004-05	2005-06	2006-07	2007-08	2008-09
	Estimate	Budget	Forward Estimates		
	\$M	\$M	\$M	\$M	\$M
Economy and Business	2.8	7.2	13.1	19.2	20.2
Jobs and Training		3.6	3.6	3.6	3.6
Schools	9.8	16.0	17.0	16.0	13.5
Community Safety	1.9	4.9	1.8	2.1	1.8
Health and Community Services	2.6	9.2	9.7	10.2	10.8
Lifestyle and Environment	2.6	7.5	4.9	4.7	4.3
Regional Initiatives	3.7	1.5	1.5	1.5	1.5
Total Initiatives	23.4	49.9	51.7	57.3	55.8

For a list of initiatives and capital projects, including capital works projects continuing from 2004-05, by agency, see *Budget Paper No. 3* and *Budget Paper No 4*.

A more detailed discussion of revenue initiatives including revenue policy changes as well as changes in procedures, is also presented in this chapter.

Economy and Business

	2004-05	2005-06	2006-07	2007-08	2008-09
	Estimate	Budget	Forward Estimates		
	\$M	\$M	\$M	\$M	\$M
1. Increased First Home Owner stamp duty concession		2.7	2.8	2.8	3.6
2. Abolish electronic debit transaction duty		2.4	2.9	3.2	3.4
3. Higher payroll tax exemption threshold			3.2	3.3	3.3
4. Abolish stamp duty on leases, franchises and unquoted marketable securities			2.1	2.4	2.4
5. Abolish stamp duty on hiring arrangements				5.3	5.8
6. Building and planning reform		0.7	0.7	0.7	0.7
7. Indigenous business development program		0.3	0.3	0.3	
8. Business and Skilled Migration Strategy	0.1	0.3	0.3	0.3	0.3
9. Palmerston Information Centre		0.2	0.2	0.2	0.2
10. Northern Territory racing industry – capital support	1.1	0.4	0.4	0.4	0.4
11. Increased capacity – Consumer and Business Affairs	0.4	0.3	0.3	0.3	0.3
12. NT Build – construction industry long service leave	0.9				
13. Investing in Film		0.1	0.1	0.2	
14. Funding towards 'The Alice' television series	0.3				
15. Fuel terminal relocation incentive		3.0			
Total Initiatives	2.8	7.2	13.1	19.2	20.2

- Increase in First Home Owner stamp duty concession threshold from \$125 000 to \$200 000 at a cost of \$2.7 million in 2005-06.
- Electronic debit transaction duty will be abolished from 1 July 2005, valued at \$2.4 million in 2005-06 and up to \$3.4 million by 2008-09.
- The 2004-05 Budget included an increase in the payroll tax exemption threshold from \$800 000 to \$1 million from 1 July 2005. This Budget now includes a further increase in the threshold to \$1.25 million from 1 July 2006, valued at \$3.2 million.
- A further \$2.1 million in revenue will be forgone from 2006-07 as a result of the removal of stamp duty on the grant and renewal of leases and franchises and conveyance on unquoted marketable securities from 1 July 2006.
- Stamp duty on hiring arrangements will be abolished from 1 July 2007, valued at \$5.3 million in 2007-08 and \$5.8 million in 2008-09.
- Additional funding of \$0.65 million to implement changes to the *Planning Act* and *Building Act* to include improved advertising of planning applications, enhanced appeal processes and related construction industry reform initiatives.
- Additional funding of \$0.9 million over three years to expand business support programs with specific initiatives aimed at encouraging Indigenous business development and growth.
- Additional funding of \$0.25 million from 2005-06 to increase the availability of skilled workers for industry through the Business and Skilled Migration Strategy.

9. Additional funding of \$0.15 million has been provided to develop a one-stop information centre in Palmerston for information, business and community justice services.
10. The funding agreement with the racing industry was recently finalised, resulting in additional payments of \$1.05 million in 2004-05 and \$0.35 million from 2005-06 for capital purposes. Escalation arrangements for recurrent funding have also been revised.
11. Funding of \$0.4 million in 2004-05 and \$0.3 million from 2005-06 will be allocated to provide operational and personnel capacity to manage additional legislation, disputes, compliance, new initiatives and investigation work with Consumer and Business Affairs.
12. Establishment costs of \$0.9 million have been provided for NT Build Statutory Corporation. The scheme recognises the circumstances of the construction industry, allows portability between other states and territories, and is funded by a levy on construction work. The Statutory Corporation will commence on 1 July 2005, with ongoing costs and entitlement payments met by the levy.
13. Funding for the Northern Territory Film Office grants program will be increased by \$50 000 in 2005-06, \$0.1 million in 2006-07 and \$0.15 million in 2007-08 to enhance the film, television and digital media industries in the Territory.
14. The Territory will contribute \$0.33 million towards 'The Alice' television series.
15. Payment to the fuel companies for moving the fuel tanks from Frances Bay to East Arm, estimated to be around \$3 million in 2005-06.

Following are the new capital works projects for 2005-06 for Economy and Business.

2005-06 Major New Capital Works Projects	\$M
Mereenie Loop – stage 2	8.0
Darwin City Waterfront Redevelopment – stage 3	7.3
Litchfield Loop – stage 2	3.0
Point Stuart Road upgrade	1.6
Darwin Business Park – stage 2 sewerage headworks	1.5
Maryvale Road upgrade	0.8
Stokes Hill Wharf – Customs jetty	0.4

Jobs and Training

	2004-05	2005-06	2006-07	2007-08	2008-09
	Estimate	Budget	Forward Estimates		
	\$M	\$M	\$M	\$M	\$M
1. <i>Jobs Plan 2</i> – Building the Northern Territory workforce					
– traditional trades skill shortages		0.3	0.3	0.3	0.3
– Work Wear Work Gear Bonus Scheme		0.8	0.8	0.8	0.8
– Work Ready NT		0.2	0.2	0.2	0.2
– VET scholarships		0.2	0.2	0.2	0.2
– Build Skills NT		0.5	0.5	0.5	0.5
2. Traditional trades – Charles Darwin University		1.5	1.5	1.5	1.5
3. Building a Stronger NTPS – a Blueprint for the Future		0.1	0.1	0.1	0.1
Total Initiatives		3.6	3.6	3.6	3.6

1. Introduction of *Jobs Plan 2 – Building the Northern Territory Workforce* to improve on *Jobs Plan 1* by enhancing training and skills development, supporting apprentices and trainees and providing incentives for both employers and employees. Government has invested a total of \$4.74 million in *Jobs Plan 1*, and a further \$2 million will be provided ongoing from 2005-06 under *Jobs Plan 2*. A total of \$3.58 million has been allocated in 2005-06 to implement both *Jobs Plan* schemes. Specific components of *Jobs Plan 2* are:

- increase of \$0.29 million for additional employer incentives in addition to those funded under *Jobs Plan 1*;
- \$0.85 million for a Work Wear Work Gear Bonus Scheme to provide a grant of up to \$500 to new trainees and apprentices;
- \$0.2 million for a Work Ready NT program to assist secondary students with the transition from the classroom to the workforce;
- 40 vocational education and training (VET) scholarships at \$4000 each to assist students studying Certificate III up to Diploma level courses, a total funding increase of \$0.16 million; and
- \$0.5 million for Build Skills NT, an upskilling and reskilling program.

2. Further address skill shortages in the labour force in the Northern Territory via additional recurrent funding of \$1.5 million for the Charles Darwin University with a focus on quality traditional trade training.

3. Introduction of *Building a Stronger NTPS: A Blueprint for the Future*, an evidence-based strategic workforce planning and management framework for the public sector.

The following table presents the significant new capital works projects for 2005-06 for Jobs and Training.

2005-06 Major New Capital Works Projects	\$M
Desert People's Centre – learning themes stage A	5.9
Desert People's Centre – administration building	5.9
Desert Knowledge Precinct – Business and Innovation Centre	4.0
Desert Knowledge Precinct – headworks stage 2	2.7

Schools

	2004-05	2005-06	2006-07	2007-08	2008-09
	Estimate	Budget	Forward Estimates		
	\$M	\$M	\$M	\$M	\$M
1. Building Better Schools initiatives	3.4	9.4	12.1	11.8	9.9
2. Increased capacity for schools	4.0	3.0	2.0	1.0	
3. Additional funding to non-government schools	1.2	1.4	1.4	1.4	1.4
4. Review of administrative officer workloads	1.2	1.2	1.5	1.8	2.2
5. Furniture for remote teachers		0.5			
6. Equipment for schools		0.5			
Total Initiatives	9.8	16.0	17.0	16.0	13.5

1. Funding of \$3.39 million in 2004-05 and \$9.42 million in 2005-06 has been allocated to implement a wide range of activities for the Building Better Schools initiatives including:
 - provision of qualified counsellors and careers advisers to all secondary schools;
 - improved VET programs in secondary schools;
 - support to Territory teachers and educators, by providing opportunities to develop and share good teaching and learning practices, and developing a new teaching and learning framework;
 - improving Indigenous students' educational outcomes, and social and emotional wellbeing, and providing 20 specialist teachers to support face-to-face teaching in remote schools;
 - establishing an interactive distance learning studio at Katherine School of the Air; and
 - building stronger school communities through enhancing data collection and analysis for school improvement, and conducting a Chief Executive's Student Forum.
2. Range of short-term initiatives, including additional information technology costs.
3. Funding of \$1.2 million in 2004-05, increasing to \$1.4 million in 2005-06 for non-government schools comprising:
 - recurrent funding of \$1.17 million for educational costs associated with curriculum, special student services and information technology; and
 - \$0.17 million in capital assistance in 2005-06 for infrastructure projects focusing on classroom facilities.
4. Additional funding as a result of the review of administrative officer workloads in schools. This funding provided for a reclassification of administrative school staff at a cost of \$1.2 million.
5. Continuation of the program of furniture upgrades for remote teacher housing at a cost of \$0.5 million in 2005-06.
6. Additional funding of \$0.5 million in 2005-06 for equipment needs in urban, rural and remote schools and community education centres.

The following table presents the significant new capital projects for 2005-06 for Schools.

2005-06 Major New Capital Works Projects	\$M
Parap Primary School – stage 2b	2.9
Wadeye – new science block	2.2
Mamaruni School (Minjilang, Croker Island)	2.0
Darwin High School – upgrade Block A	2.0
Mapurru Homeland Centre	1.0
Donyddji Homeland Centre	0.8
Gunbalanya Community Education Centre	0.8
Ross Park Primary School – airconditioning upgrade	0.6

Community Safety

	2004-05	2005-06	2006-07	2007-08	2008-09
	Estimate	Budget	Forward Estimates		
	\$M	\$M	\$M	\$M	\$M
1. Additional O'Sullivan implementation costs	1.4	2.9			
2. Mobile police stations – Darwin and Alice Springs		0.2			
3. Vehicles for Aboriginal Community Police Officers		0.4	0.4	0.7	0.5
4. Emergency services capability at Kings Canyon	0.2	0.2	0.2	0.2	0.2
5. Expanded emergency service capability at Yulara	0.2	0.2	0.2	0.2	0.2
6. Domestic Violence Legal and Advocacy Services	0.1	0.1	0.1	0.1	0.1
7. Community Justice Centre		0.3	0.3	0.3	0.3
8. Sexual Assault Prevention Plan		0.2	0.2	0.2	0.2
9. Community Safety Plans implementation grants		0.4	0.4	0.4	0.4
Total Initiatives	1.9	4.9	1.8	2.1	1.8

1. Additional funding has been provided to Police, Fire and Emergency Services due to the accelerated recruitment of police officers, subsequent to the O'Sullivan review.
2. Funding of \$0.2 million in 2005-06 for mobile police stations in Darwin and Alice Springs. The mobile police stations will provide police with the flexibility to respond immediately to crime hotspots and community needs, allowing for more direct and dedicated service delivery.
3. Funding of \$0.44 million from 2005-06 to provide Aboriginal Community Police Officers working in remote communities with police-owned vehicles to carry out their duties. This reflects Government's support for remote communities and for improving police services.
4. Funding of \$0.21 million to establish a Northern Territory Emergency Services presence at Kings Canyon. This initiative will provide professional first response to accidents and coordinated training to local volunteers to enable them to respond to emergency situations.

5. An expanded fire and emergency services at Yulara with the Voyages Group contribution totalling a commitment of \$0.23 million. An additional firefighter will be stationed at Yulara to improve emergency response and fire protection in Yulara and the surrounding area.
6. Additional funding of \$0.1 million from 2004-05 has been allocated to increase the capability of the Domestic Violence Legal and Advocacy Services for Darwin and Alice Springs.
7. Funding of \$0.3 million will be provided from 2005-06 for the Community Justice Centre to provide fast and free dispute resolution services.
8. Additional funding of \$0.2 million will be provided from 2005-06 to the Office of the Director of Public Prosecutions to prosecute sexual assault matters.
9. Funding of \$0.35 million has been allocated from 2005-06 for Community Safety Plans implementation grants to support community-driven crime prevention activities.

The following table presents the significant new capital projects for 2005-06 for Community Safety.

2005-06 Major New Capital Works Projects	\$M
Darwin Correctional Centre – program and living unit facilities	1.0
Marrara Fire Station	3.6

Health and Community Services

	2004-05	2005-06	2006-07	2007-08	2008-09
	Estimate	Budget	Forward Estimates		
	\$M	\$M	\$M	\$M	\$M
1. Additional funding for Alice Springs Hospital		1.9	1.9	1.9	1.9
2. Volatile substance abuse prevention	1.5	2.5	2.0	2.0	2.0
3. Support for Territorians requiring radiation oncology services	0.1	0.5	0.5	0.5	0.5
4. Community midwifery program		0.4	0.4	0.4	0.4
5. Professional development for midwives	0.2	0.2	0.2	0.2	0.2
6. Community-based residential services – mental health		0.6	1.1	1.1	1.1
7. Mental health support services – Darwin Correctional Centre		0.4	0.5	0.5	0.5
8. Nhulunbuy Special Care Centre	0.4	0.6	0.6	0.6	0.6
9. Alcohol Framework	0.4	1.0	0.9	0.9	0.9
10. Additional funding for non-government organisations		1.1	1.6	2.1	2.7
Total Initiatives	2.6	9.2	9.7	10.2	10.8

1. Additional recurrent funding of \$1.94 million from 2005-06 for Alice Springs Hospital. This will provide additional staffing for the Intensive Care Unit; emergency services support to recruit a registrar, a part-time second intensivist nurse and nine nursing positions; and to recruit six junior medical officers to provide relief support for existing staff, improve rosters to standard working hours and meet minimum expectations of junior medical staff.
2. Funding of \$2.5 million will be provided in 2005-06 and \$2 million for 2006-07 to implement a service network for people with volatile substance misuse problems in conjunction with the new *Volatile Substance Abuse Prevention Act*. Rehabilitation and treatment services are being established across the Territory

to provide increased options and opportunities for people with volatile substance abuse problems.

3. Funding of \$0.5 million will be provided from 2005-06 to improve the care and support services for Territorians requiring interstate radiotherapy treatment.
4. Additional funding of \$0.4 million will be provided from 2005-06 for home birth care services and provision of outreach ante-natal services to remote communities.
5. Funding of \$0.2 million will be provided to enable Territory nurses to study locally as midwives. Local training reduces the need to recruit from interstate or overseas, and also provides a greater understanding of Territory health issues and considerations.
6. Funding of \$0.6 million will be provided from 2005-06 for community-based residential care services in Darwin and Alice Springs, with 24-hour support for people with mental illness and their carers.
7. Additional \$0.35 million for enhanced mental health and disability clinical and behavioural support services to the Darwin Correctional Centre.
8. Additional funding of \$0.43 million for the operation and staff training requirements of the Nhulunbuy Special Care Centre and \$0.39 million contribution to the fitout of a 12 bed sobering up facility at Nhulunbuy. Additional funding of \$0.15 million for a community patrol at Nhulunbuy is also provided.
9. As part of the response to the Alcohol Framework, establishment of the Office of Alcohol Policy with greater emphasis on community involvement in alcohol management activities, streamlining of Licensing Commission processes and a full review of the *Liquor Act*.
10. Additional funding of \$1.1 million from 2005-06 for indexation of payments to non-government organisations.

The following table presents the significant capital works projects for 2005-06 for Health and Community Services.

2005-06 Major New Capital Works Projects	\$M
Darwin and Alice Springs Mental Health Facilities – community-based residential care	1.2
Alice Springs Hospital – Ward 4 upgrade	1.0
Flynn Drive renal facilities – upgrade	1.0
Royal Darwin Hospital – replace index washer sterilising unit	0.9
Alice Springs Hospital – staff accommodation upgrade	0.7
Renal facilities – stage 3	0.4

Lifestyle and Environment

	2004-05	2005-06	2006-07	2007-08	2008-09
	Estimate	Budget	Forward Estimates		
	\$M	\$M	\$M	\$M	\$M
1. Additional funding – Northern Territory Show Council	0.2	0.2	0.2		
2. Increased capacity for the Museums and Art Gallery of the Northern Territory	0.4	0.8	0.8	0.8	0.8
3. Additional funding to support sporting events	0.5	0.5			
4. Northern Territory Public Arts Strategy		0.3	0.3	0.3	0.3
5. Increased athlete participation at Northern Territory Institute of Sport		0.3	0.3	0.3	0.3
6. Growth in pensioner concessions for essential services	0.9	0.9	0.9	0.9	0.9
7. Increased bus services for seniors		0.1	0.1	0.1	0.1
8. Increased funding for major events	0.2	0.3	0.3	0.3	0.3
9. Statehood Steering Committee		0.4	0.4	0.4	
10. Increased urban enhancement funding		1.0			
11. Implementation of Darwin Harbour Regional Plan of Management		0.3			
12. Australian Football League matches	0.1	0.1			
13. National parks improvements		1.2	1.2	1.2	1.2
14. Mt Todd rehabilitation		0.4			
15. Cane toad minimisation project and awareness campaign	0.3	0.3			
16. Increased funding for Territory festivals		0.4	0.4	0.4	0.4
Total Initiatives	2.6	7.5	4.9	4.7	4.3

1. Additional three year funding of \$0.2 million from 2004-05 to assist the Northern Territory Show Council with the Territory Show Circuit.
2. Additional funding of \$0.75 million per annum will be provided from 2005-06 to the Museum and Art Gallery of the Northern Territory for ongoing development.
3. Continued funding of \$0.5 million will be provided in 2005-06 for administration support to stage sporting events in the Territory.
4. Funding of \$0.3 million will be provided from 2005-06 as part of the minor new works program, for a Public Art Strategy, which aims to enhance the quality of the built environment and public facilities, and support the arts community through economic and professional opportunities.
5. Funding of \$0.3 million will be provided from 2005-06 to assist elite Territory athletes to compete at national and international levels.
6. Additional funding for pensioner concession, for essential services of \$0.9 million ongoing from 2004-05.
7. Funding for additional bus services for public housing seniors' villages in Darwin and Palmerston.
8. Additional funding to stage major events including V8 Supercars.
9. Funding of \$1.2 million over three years to establish and support the Statehood Steering Committee and its activities within the agreed terms of reference and renewed commitment to statehood and constitutional development.
10. Increased urban enhancement for 2005-06 of \$1 million, including continuation of the upgrade of metropolitan shopping centres program.

11. \$0.3 million has been provided to implement initiatives under the Darwin Harbour Regional Plan of Management.
12. Additional funding of \$0.2 million over two years to stage Australian Football League matches.
13. Increased funding for recurrent park management operations and management of the new Channel Point Recreation Reserve (\$1.2 million).
14. Additional funding of \$0.37 million for the effective management and rehabilitation of the Mt Todd mine site.
15. Awareness campaign including public engagement for cane toad management and response.
16. Additional funding of \$0.4 million from 2005-06 will be provided to expand the grants program for festivals, particularly in rural and remote areas of the Territory.

The following table presents the significant new capital projects for 2005-06 for Lifestyle and Environment.

2005-06 Major New Capital Works Projects	\$M
Darwin Soccer Stadium	5.8
Hidden Valley Raceway upgrade	1.9
Improved recreational fishing infrastructure	0.5
Litchfield National Park development– stage 1	2.0
West MacDonnell National Park development	1.0
Mary River Wetlands – desalination	0.5
Channel Point Reserve – ranger accommodation and secure storage facilities	0.4
2005-06 Major Capital Grants	
Palmerston Recreation Centre	5.0
Alice Springs drag strip	0.8

	2004-05	2005-06	2006-07	2007-08	2008-09
	Estimate	Budget	Forward Estimates		
	\$M	\$M	\$M	\$M	\$M
1. Additional funding for Indigenous Essential Services	3.5	1.2	1.5	1.5	1.5
2. Regional Coordinator for Nhulunbuy and Jabiru	0.2	0.3			
Total Initiatives	3.7	1.5	1.5	1.5	1.5

Regional Initiatives

1. The resource commitment for providing power, water, and sewerage services, aerodromes and barge landings in remote Indigenous communities is adjusted annually for increases in the cost of providing these services. In 2004-05, \$3.5 million is for increased fuel costs associated with electricity operation. Funding increases from 2005-06 reflect increased indexation for Indigenous Essential Services.
2. Employment of a Government regional coordinator for the West Arnhem region based in Jabiru and a coordinator at Nhulunbuy to assist with development opportunities and obligations in regard to the Alcan expansion.

The following table presents the significant new capital works projects for 2005-06 for regional areas.

2005-06 Major New Capital Works Projects	\$M
Victoria Highway – stage 2 flood plain upgrade and new bridges	15.0
Upgrade Government employee housing	3.0
Construct Government employee housing in remote localities	3.0
Wadeye – construct 6 Government employee housing dwellings for teachers	2.4
Replace Government employee housing in remote localities	2.0
Ngukurr/Numbulwar – road upgrades and causeway at Rose River	0.5
Central Arnhem Road – selected road and river crossing upgrades from Beswick to Gove	0.5
Sandover Highway – upgrades sections	0.5
Alpurrurulam aerodrome	1.3
Pigeon Hole aerodrome	0.6

Revenue Initiatives

The key revenue measures in the 2005-06 Budget were summarised in the Economy and Business section. More details are provided below.

Payroll Tax Reduction

In accordance with the Government's commitment to reduce the payroll tax burden on businesses, the payroll tax general exemption threshold increases to \$1 million from 1 July 2005. The threshold will be increased again to \$1.25 million from 1 July 2006. These changes are expected to reduce payroll tax collections by \$3.2 million per year from 1 July 2005 and by a further \$3.2 million per year from 1 July 2006. Over 1300 businesses will benefit from these reductions.

Altogether, 180 locally-based Territory businesses and 35 interstate-based businesses will no longer be required to pay payroll tax from 1 July 2006. As a result of increases to the payroll tax threshold in 2004-05 and 2005-06, locally-based Territory businesses still paying payroll tax after 1 July 2005 will save on average \$20 500 each year. Locally-based Territory businesses that continue to pay payroll tax after 1 July 2006 will save on average an additional \$11 400 in payroll tax a year.

Increase in the First Home Owner Stamp Duty Concession

First home buyers purchasing a home from 3 May 2005 will benefit from the first home owner stamp duty concession increasing from the stamp duty payable on the first \$125 000 of a home's value to the first \$200 000. This will nearly double the value of the concession from a maximum of \$3640 to a maximum of \$6800, providing stamp duty savings of \$2.7 million to first home buyers in 2005-06.

The value of the concession was last increased in August 2002, from the stamp duty payable on the first \$80 000 of a home's value (a maximum concession of \$2096) to the first \$125 000 of a home's value (a maximum concession of \$3640).

Tax Reform

As part of national tax reform, the Australian Government, states and territories signed the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations (the Intergovernmental Agreement). Part of the Intergovernmental Agreement secured the abolition of some state and territory taxes and a review of the need to retain a list of other 'business' taxes.

In accordance with the Intergovernmental Agreement, the Territory abolished tourism marketing duty from 1 July 2000, and both stamp duty on quoted marketable securities and financial institutions duty from 1 July 2001. These changes have reduced the Territory's tax collections by over \$20 million per year.

As part of its commitment to national tax reform, the Government has agreed to abolish the taxes that were subject to review under the Intergovernmental Agreement. Further details of these taxes and Government's schedule for abolishing them are provided below.

Debits tax and electronic debit transaction duty will be abolished from 1 July 2005, at a cost of \$8.6 million in 2005-06.

Stamp duty payable on the grant and renewal of leases and franchises and stamp duty on unquoted marketable securities (that is, companies and trusts where the securities are not quoted on a recognised stock exchange) will be abolished from 1 July 2006. This is expected to cost \$2 million in 2006-07.

From 1 July 2007, stamp duty on hiring arrangements will be abolished. This is a stamp duty levied on rent paid in respect of the hire of goods, including consumer and producer goods and instalment purchase arrangements. This is expected to cost \$5.3 million in 2007-08.

Stamp duty levied on the value of non-residential conveyances will be abolished from 1 July 2009. This includes conveyances of goodwill, statutory licences and rights to use business names and patents but does not include conveyances of real property. This is expected to reduce stamp duty collections by \$5.5 million in 2009-10.

Extending the Family Farms Stamp Duty Exemption

The *Stamp Duty Act* provides an exemption for the conveyance of pastoral land between family members. This exemption provides an incentive to encourage younger generations to continue to work the family farm and to increase the use of more modern and productive farming techniques.

From 3 May 2005, the 'family farms' stamp duty exemption is extended to allow the conveyance of all primary production land, not just pastoral land. The exemption also recognises the commercial reality that primary production land may be held in a company or trust. Accordingly, the exemption is also extended to apply to conveyances between family members, companies in which all the shares are owned by the family members, and trusts where the trust beneficiaries only comprise family members.

Equity, efficiency and administrative enhancements

The Government has approved a package of changes that enhance the simplicity, efficiency and equity of the Territory's taxation regime. These measures:

- allow the Commissioner of Taxes to generally extend the time for the lodgement and payment of duty on conditional contracts (this measure commences on 3 May 2005);
- provide for refunds of stamp duty on contracts where duty was assessed on 'contingent' consideration, where that consideration has not been and will not be paid;
- extend the stamp duty exemption for motor vehicles registered in the name of a totally and permanently incapacitated war veteran to include extreme disabled adjustment war veterans; and
- clarify that the payroll tax grouping provisions apply to companies carrying on a business as the trustee of a trust.

Except where noted otherwise, the measures commence on 1 July 2005.