

Budget Initiatives

Overview This chapter summarises the Government's new and expanded initiatives for expenditure and revenue included in the 2006-07 Budget, along with the significant new works on the 2006-07 Capital Works Program. This listing also includes items that were announced in the 2005-06 Budget, but do not commence until 2006-07.

Initiatives in this chapter are grouped under the agency that has been funded to deliver them. Initiatives, including operating and capital payments, are either one-off or ongoing in nature, and the details provided reflect the nature of each one.

The Capital Works Program tables list major works projects and grants and the total cost of each. The amounts reflect the total project costs, not the cash allocation in the budget year.

For more details about initiatives and capital projects, including capital works projects continuing from 2005-06, see *Budget Paper No. 3* and *Budget Paper No. 4*.

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

The table below provides a summary of recurrent initiatives across all agencies:

	2005-06	2006-07	2007-08	2008-09	2009-10
	Estimate	Budget	Forward Estimates		
	\$M	\$M	\$M	\$M	\$M
Department of the Chief Minister	0.2	0.6	2.0	2.0	1.6
Tourism NT		10.0	10.0	10.0	10.0
Northern Territory Treasury	3.0	8.6	17.3	21.3	28.7
Department of Employment, Education and Training	2.6	2.5	2.5	2.5	2.5
Department of Justice	4.0	3.9	3.7	3.7	3.7
Department of Health and Community Services		22.9	26.4	29.8	29.9
Department of Business, Economic and Regional Development		0.1	0.5	0.5	0.5
Northern Territory Police, Fire and Emergency Services	0.6	3.0	3.1	3.1	3.1
Department of Planning and Infrastructure	8.0	-2.4	-4.6	-1.6	-1.2
Darwin Port Corporation		0.6			
Office of the Commissioner for Public Employment		0.2	0.2	0.1	0.1
Department of Primary Industry, Fisheries and Mines		0.4	0.5	0.5	0.2
Department of Natural Resources, Environment and the Arts	0.9	1.9	1.6	2.3	1.3
Department of Local Government, Housing and Sport	5.8	0.4	0.8	0.4	0.3
Total Initiatives	25.1	52.7	64.0	74.6	80.7

Department of the Chief Minister

	2005-06	2006-07	2007-08	2008-09	2009-10
	Estimate	Budget	Forward Estimates		
	\$000	\$000	\$000	\$000	\$000
Additional funding provided					
1. Additional Major Event in Top End – golf	150	150	150	150	150
2. Bass In The Grass		50	50	50	50
3. Darwin Waterfront Corporation		350	1 800	1 800	1 400
Total	150	550	2 000	2 000	1 600

1. Funding for facility upgrades at Darwin and Palmerston golf clubs and promotional funding for the first 'B' Grade Amateur Golf Championship in Australia.
2. Additional ongoing funding to support a second stage for the annual Bass In The Grass youth concert in Darwin.
3. Establishment of the Darwin Waterfront Corporation brought forward from 2007-08 to 2006-07 and transferred to the Department of the Chief Minister. A further \$200 000 is being allocated from existing resources in 2006-07.

Tourism NT

	2005-06	2006-07	2007-08	2008-09	2009-10
	Estimate	Budget	Forward Estimates		
	\$000	\$000	\$000	\$000	\$000
Additional funding provided					
1. Investment in the future of the Territory tourism industry		10 000	10 000	10 000	10 000
Total		10 000	10 000	10 000	10 000

1. Additional ongoing funding to continue investment in the future of the Territory tourism industry.

Northern Territory Treasury

	2005-06	2006-07	2007-08	2008-09	2009-10
	Estimate	Budget	Forward Estimates		
	\$000	\$000	\$000	\$000	\$000
1. Abolish stamp duty on hiring arrangements			5 300	5 800	6 200
2. Abolish stamp duty on leases, franchises and unquoted marketable securities		2 000	2 200	2 400	2 600
3. Business property conveyances, excluding land					6 800
4. Higher payroll tax exemption threshold		3 600	3 800	3 900	3 900
5. Increased stamp duty rebate for home owners	3 000	3 000	3 000	3 000	3 000
6. Payroll tax reduction			3 000	6 200	6 200
Total	3 000	8 600	17 300	21 300	28 700

1. Stamp duty on hiring arrangements will be abolished from 1 July 2007.



2. A further \$2 million in revenue will be forgone from 2006-07 as a result the removal of stamp duty on the grant and renewal of leases and franchises and conveyance on unquoted marketable securities from 1 July 2006.
3. Business property conveyances, excluding land, will be removed from 1 July 2009. This includes conveyance of goodwill, statutory licences and rights to use business names and patents, but does not include conveyance on real property.
4. The 2005-06 Budget included an increase in the payroll tax exemption threshold from \$1 million to \$1.25 million from 1 July 2006.
5. Increase in the First Home Buyers' stamp duty exemption from the first \$200 000 to the first \$225 000 of a first home purchase. For existing home owners, the stamp duty rebate for a principal place of residence increases from \$1500 to \$2500.
6. Further payroll tax reductions to maintain the Territory's payroll tax competitiveness.

Department of Employment, Education and Training

	2005-06	2006-07	2007-08	2008-09	2009-10
	Estimate	Budget	Forward Estimates		
	\$000	\$000	\$000	\$000	\$000
Additional funding provided					
1. Back to School bonus payments	1 900	1 900	1 900	1 900	1 900
2. Financial assistance to Unions NT		200	200	200	200
3. Holy Family School disability access ramps	30				
4. Steiner School Alice Springs	300				
5. WorkWear WorkGear bonus	375	375	375	375	375
Total	2 605	2 475	2 475	2 475	2 475

1. A payment to parents and guardians of \$50 per school-aged child to assist with the cost of uniforms and school supplies.
2. Funding for positions to provide industry liaison and safety advice to Unions NT.
3. A grant to Holy Family Primary School to improve disabled access.
4. Capital payment for the purchase of land.
5. Increase the WorkWear WorkGear bonus from \$500 to \$1000 for apprentices in identified skills shortage areas.

2006-07 Major Capital Works	\$M
Desert People's Centre – Administration building	2.8
Desert People's Centre – Education building	3.1
Desert People's Centre – Wellbeing and Human Services building	2.7
Humpty Doo Primary School – new classrooms for high support special needs	0.8
Middle years schooling	10.0
Wadeye – new secondary facility	4.5
Wugular School (Beswick)	2.5

Department of Justice

	2005-06	2006-07	2007-08	2008-09	2009-10
	Estimate	Budget	Forward Estimates		
	\$000	\$000	\$000	\$000	\$000
Funded from existing agency resources					
1. Security arrangements for Courts					
Additional funding provided					
2. Additional funding for the Fines Recovery Unit	85	170			
3. Additional funding for Victims of Crime NT	70	70	70	70	70
4. Associations, business names and other Consumer and Business Affairs (CABA) licensing systems	250	72	72	72	72
5. Demand growth in Courts	600	450	450	450	450
6. Establishment of the Victims Support Unit		120	120	120	120
7. Increased prisoner numbers	2 900	1 675	1 675	1 675	1 675
8. Legal services to Government	107	1 134	1 134	1 134	1 134
9. Provide an Alcohol Court		202	207	213	213
Total	4 012	3 893	3 728	3 734	3 734

1. Funding to be redirected from existing resources to provide additional court security.
2. Increase of three positions to the Fines Recovery Unit to expand enforcement activity; to be reviewed during 2006-07.
3. Funding for the expansion of programs provided by Victims of Crime NT.
4. Funding for the provision and installation of business critical licensing and compliance register software to support the associations, business names and Consumer and Business Affairs (CABA) licensing systems; to be funded by a small fee for registering business names.
5. Funding to address increasing court operating costs with \$350 000 sourced from additional court revenue.
6. Funding for a position to establish a Victims Support Unit as a result of the changes to the Crimes Victims Assistance Scheme.
7. Funding to recognise additional costs of increased prisoner numbers, including health care and education of prisoners.
8. Funding to increase the capacity of the Solicitor for the Northern Territory to provide services to agencies and professional support to agency-based solicitors.
9. Funding for additional case workers to expand the role of the existing drug court to cover alcohol-related matters.

Department of Health and Community Services

	2005-06 Estimate	2006-07 Budget	2007-08 Forward Estimates	2008-09 Forward Estimates	2009-10 Forward Estimates
	\$000	\$000	\$000	\$000	\$000
Additional funding provided					
1. Additional allied health support				200	200
2. Alice Springs Hospital – 24 beds (50% funding)			1 125	2 250	2 250
3. Carer's Card		1 050	1 050	1 050	1 050
4. Child ear health program		230	230	230	230
5. Child health care workers				500	500
6. Community Midwifery				280	280
7. Darwin Family Centre Hub at Karama			80	60	60
8. Establish new alcohol and drug treatment services		560	560	640	640
9. Hospital in the Home			1 170	1 170	1 170
10. Nhulunbuy Youth Centre (seeding grant)	30				
11. Police patrol service to provide Social Order Patrols	- 241	- 413	- 413	- 413	- 413
12. Purchase new equipment for community child care centres		500			
13. Royal Darwin Hospital – 24 beds (50% funding)		562	1 125	2 250	2 250
14. Service delivery growth		20 000	20 000	20 000	20 000
15. Supported Accommodation Assistance Program (SAAP)	240	413	1 496	1 597	1 699
Total	29	22 902	26 423	29 814	29 916

1. Funding for an audiologist and a speech pathologist in Central Australia – an expansion of the Universal Neonatal Hearing Screening component of the Five Year Maternal and Child Health Strategy.
2. Increase in hospital bed capacity in Alice Springs Hospital. The remaining 50 per cent of funding is provided through growth funding already included in forward estimates.
3. The introduction of the NT Carer's Card for the provision of concessions on living expenses to Northern Territory recipients of the Australian Carers' Allowance.
4. Funding for audiologists under the Five Year Maternal and Child Health Strategy.
5. Funding for child health care workers to provide increased support during pregnancy and the early years of a child's life.
6. Funding for two positions to expand the Community Midwifery Program to the Alice Springs region.
7. Funding to relocate non-government family service providers to a Family Centre Hub at Karama. Includes some start up costs and a subsidy for expected rental increases.
8. Funding to support the development and delivery of new treatment places for people who are subject to an Alcohol Intervention Order or a Prohibition Order from the Alcohol Court.

9. Funding to expand the Hospital in the Home scheme in Darwin and establish a similar program in Alice Springs.
10. A grant to Anglicare to assist in the establishment of a youth centre in Nhulunbuy.
11. Transfer to police for patrol services to provide a night patrol as part of a crackdown on antisocial behaviour.
12. Funding for one-off grants to community-based childcare centres for the purchase of equipment.
13. Increase in hospital bed capacity in Royal Darwin Hospital. The remaining 50 per cent of funding is provided through growth funding already included in forward estimates.
14. Funding to support increased health service demand and costs, particularly for acute care.
15. Additional matching funding required under the new Supported Accommodation Assistance Program (SAAP) agreement negotiated with the Australian Government.

2006-07 Major Capital Works	\$M
Alice Springs Hospital – staff accommodation upgrade – stage 2	0.3
Flynn Drive renal facilities upgrade	1.0
Kalkarindji Health Clinic	2.9
Mental health facilities – community-based residential care in Darwin and Alice Springs	0.7
Royal Darwin Hospital – lifts	0.9
Yirrkala Health Clinic upgrade	0.5

Department of Business, Economic and Regional Development

	2005-06 Estimate	2006-07 Budget	2007-08 Forward Estimates	2008-09 Forward Estimates	2009-10 Forward Estimates
	\$000	\$000	\$000	\$000	\$000
Additional funding provided					
1. AHA and Clubs NT training		60	60	60	60
2. Defence families liaison			99	101	101
3. Establish and equip internet cafe for Alekerange		50			
4. Innovation and knowledge economy			350	350	350
Total		110	509	511	511

1. Grants for industry training by Clubs NT and the Australian Hotels Association – Northern Territory.
2. Funding for additional personnel to help defence families connect to government services when moving to the Northern Territory.
3. Funding to increase public internet access in Alekerange (Ali Curung).
4. Increase in funding to the Northern Territory Research and Innovation Fund to encourage small and medium enterprise participation, expand the role of the Northern Territory Research and Innovation Board and continue Government obligations under the Cooperative Framework on Tropical Science Knowledge and Innovation.

Northern Territory Police, Fire and Emergency Services

	2005-06 Estimate	2006-07 Budget	2007-08	2008-09	2009-10
	\$000	\$000	Forward Estimates		
	\$000	\$000	\$000	\$000	\$000
Additional funding provided					
1. Major Fire Appliance Replacement Program			500	500	500
2. Mobile police stations – Katherine and Greater Darwin region	200				
3. Northern Territory Fire Alarm Transmission System		565	238	238	238
4. Northern Territory Juvenile Diversion Scheme		1 760	1 760	1 760	1 760
5. Police patrol service to take over Social Order Patrols	351	633	633	633	633
Total	551	2 958	3 131	3 131	3 131

1. Increase in funding for the replacement of major fire appliances for the Northern Territory Fire Service.
2. Funding for specialised vehicles in Katherine and the Greater Darwin region.
3. Funding for the upgrade of fire alarm monitoring equipment that operates in all major centres throughout the Northern Territory, including ongoing additional technical support, for the Northern Territory Fire Alarm Transmission System.
4. Extension of the Juvenile Diversion Scheme with ongoing funding for the continuation of the roles performed by non-government organisations and Community Youth Development Units.
5. Expansion of police patrol services to provide Social Order Patrols in the Greater Darwin region.

Department of Planning and Infrastructure

	2005-06	2006-07	2007-08	2008-09	2009-10
	Estimate	Budget	Forward Estimates		
	\$000	\$000	\$000	\$000	\$000
Funded from existing agency resources					
1. Land release options for Ti Tree area					
2. Security cameras in buses					
3. Undertaking to assess physical security presence on Darwinbus network					
Additional funding provided					
4. Alice in 10	400				
5. Alice Springs Airport upgrade	200				
6. Bus service to Australian Defence Force bases			100	100	100
7. Bus ticketing arrangements	50	100	100	100	100
8. Darwin Waterfront Corporation		- 350	- 1 800	- 1 800	- 1 400
9. Dundee Beach power project	1 247	898			
10. Electrical safety and licensing review	150				
11. Undergrounding powerlines	6 000	- 3 000	- 3 000		
Total	8 047	- 2 352	- 4 600	- 1 600	- 1 200

1. A study on the release of residential allotments in the Ti Tree area – funded within existing agency resources.
2. The purchase and maintenance of security equipment for the remaining ten Darwinbus network buses that still do not have cameras fitted – funded within existing agency resources.
3. Boosting security on the Darwinbus public transport network.
4. Grant to Alice Springs Town Council for Alice in 10 projects including parkland improvement works and Todd River sand removal.
5. Funding to assist in the provision of international level security control and inspection equipment at the Alice Springs Airport.
6. Funding for an additional bus service between Robertson Barracks and Palmerston during peak times.
7. Installation of a manual ticketing system in all buses.
8. Transfer to the Department of the Chief Minister for the establishment of the Darwin Waterfront Corporation.
9. Additional grant to the Power and Water Corporation to support power extension to Dundee Beach.
10. Funding for an external review of aspects of the regulation of electrical safety and technical standards throughout the Northern Territory.
11. Grant to the Power and Water Corporation, advanced from 2006-07 and 2007-08, to progress the undergrounding of electricity lines in Nightcliff and Rapid Creek.



2006-07 Major Capital Works	\$M
All corridors – pavement strengthening and widening selected sections	4.0
Batten Road – land servicing – stage 1	1.5
Beef Roads – Maryvale Road upgrade – stage 1	1.3
Blackspot Program	0.7
Darwin Waterfront Development – stage 4	10.0
Local Roads to Recovery Program	4.0
Mt Johns Valley – headworks – stage 1	1.3
Outback Way	2.0
Rural arterials – strengthening and widening	0.8
Sandover Highway	0.5
Urban arterials – strengthening	0.8
Victoria Highway – stage 2 – flood plain upgrade and new bridges	24.0
2006-07 Major Capital Grants	
Dundee Beach power	0.9
Indigenous Essential Services	10.6

Darwin Port Corporation

	2005-06	2006-07	2007-08	2008-09	2009-10
	Estimate	Budget	Forward Estimates		
	\$000	\$000	\$000	\$000	\$000
Additional funding provided					
1. Roll-on roll-off facility		575			
Total		575			

1. Additional community service obligation payment for repairs and maintenance on the roll-on roll-off facility at Fort Hill Wharf.

2006-07 Major Capital Works	\$M
Darwin Port – container crane – upgrade control systems	1.0
Fishermans Wharf – remedial works to sheet pile wall	1.1

Office of the Commissioner for Public Employment

	2005-06	2006-07	2007-08	2008-09	2009-10
	Estimate	Budget	Forward Estimates		
	\$000	\$000	\$000	\$000	\$000
Additional funding provided					
1. Strengthening the public sector		230	225	125	125
Total		230	225	125	125

1. Funding for mentoring, a mobility and exchange program, personal achievement planning and career planning, within the Northern Territory Public Service.

Department of Corporate and Information Services

2006-07 Major Capital Works	\$M
Chinatown fitout	4.5
Development House fitout	3.1

Department of Primary Industry, Fisheries and Mines

	2005-06	2006-07	2007-08	2008-09	2009-10
	Estimate	Budget	Forward Estimates		
	\$000	\$000	\$000	\$000	\$000
Funded from existing agency resources					
1. New barramundi stocking programs					
Additional funding provided					
2. Fishing licence buy back		350	350	350	
3. Marine Ranger Program			179	179	179
Total		350	529	529	179
1. Stocking Manton Dam, Lake Todd and Lake Bennett with barramundi fingerlings to enhance recreational fishing – funded within existing agency resources.					
2. Funding for the buy back of a number of fishing licences to reduce fishing, particularly in barramundi, mud crab and coastal net fisheries.					
3. Funding for additional Marine Ranger Programs modelled on those already operating in Borrooloola, Tiwi Islands, Wadeye, Maningrida, Warruwi and Elcho Island.					

Department of Natural Resources, Environment and the Arts

	2005-06	2006-07	2007-08	2008-09	2009-10
	Estimate	Budget	Forward Estimates		
	\$000	\$000	\$000	\$000	\$000
Additional funding provided					
1. Cabomba eradication program		583			
2. Cane toad trap subsidy	50	50			
3. Cool Communities		50	100	100	100
4. Daly River Community Reference Group	303				
5. Daly River protection	500	1 000	1 000	1 000	
6. Environment Protection Agency			248	876	876
7. Land for Wildlife in Alice Springs	20				
8. Northern Territory Parks Indigenous Rangers		90	90	90	90
9. Rapid Creek environment hub and cane toad shop front		120	90	90	90
10. Warlukurlangu Arts Centre (Yuendumu)	24				
11. Water initiative – Alice Springs and Tennant Creek		50	100	100	100
Total	897	1 943	1 628	2 256	1 256
1. Funding to escalate the eradication of the <i>Cabomba caroliniana</i> weed from the Darwin River, representing the first record of this weed setting seed in Australia and the high level risk this represents to the Darwin water supply.					
2. Provision of \$30 vouchers to assist households with the purchase of cane toad traps.					



3. Increase in funding to the Cool Communities program to help improve household energy efficiency and reduce greenhouse gas emissions.
4. Joint funding with the Australian Government for core components of the Adaptive Management Framework for the Daly River catchment, including monitoring and evaluation of development and maintenance of adequate stream flows.
5. Funding to improve water, ecosystem and land use research and monitoring for the Daly River.
6. Funding for the establishment of an Environment Protection Agency, including staffing and sitting fees for Board members.
7. Grant funding to the Land for Wildlife organisation in Alice Springs, to help encourage landowners to foster habitats for native wildlife on their properties.
8. Funding to expand Indigenous participation in parks management.
9. Rental subsidies and relocation costs for non-government organisations contributing to the Rapid Creek environment hub.
10. Research grant.
11. A rebate of up to \$50 for water-saving devices purchased by residents of Alice Springs and Tennant Creek.

2006-07 Major Capital Works	\$M
Mary River Wetlands desalination – construct new and upgrade existing weirs for saltwater intrusion control works	0.5
Nitmiluk National Park – upgrade first and second gorge crossovers	1.0
2006-07 Major Capital Grants	
Public Art Strategy	0.3

Department of Local Government, Housing and Sport

	2005-06 Estimate	2006-07 Budget	2007-08 Forward Estimates	2008-09 Forward Estimates	2009-10 Forward Estimates
	\$000	\$000	\$000	\$000	\$000
Funded from existing agency resources					
1. Future review of the <i>Local Government Act</i>					
Additional funding provided					
2. Adelaide River Show Society stage upgrade	35				
3. Alice Springs Golf Course initiatives	130				
4. Funding of National Rugby League trial game in Alice Springs	73				
5. Grant to the Darwin City Council to improve public amenities			100		
6. Nightcliff skate park			250		
7. Palmerston Recreation Centre	3 690				
8. Perth Wildcats – National Basketball League		75	75	75	
9. Purkiss Reserve lighting	500				
10. Reinstate netball as Tier 2 sport at NTIS	205	205	205	205	205
11. RSPCA Darwin	50				
12. Skate park facility in Parap	300				
13. Sports and recreation centre upgrade in Elliott				100	
14. Tracy Village lighting	800				
15. Training and support for smaller associations without liquor or gaming licences			66	67	67
16. Under 5 Water Safety Voucher Scheme		155	78		
17. Upgrade of the Gapuwiyak Oval	45				
Total	5 828	435	774	447	272

1. Future review of the *Local Government Act*, including consultation with stakeholder groups – funded within existing agency resources.
2. Grant to Adelaide River Show Society.
3. Grant funding to the Alice Springs Golf Club, including a one-off re-grass with salt-proof grasses and consultancy on future water use.
4. Funding for Australian Rugby League development to host a National Rugby League trial game to be staged at Anzac Oval, Alice Springs.
5. Grant to the Darwin City Council to improve public amenities.
6. Provision of a new skate park facility in Nightcliff.
7. Palmerston Recreation Centre – completion of a new multi-purpose sport and recreation centre in Palmerston.



8. Funding for a three year contract with the Perth Wildcats to stage National Basketball League games in Darwin from 2007 to 2009.
9. Grant to Tennant Creek Town Council for Purkiss Reserve lighting.
10. Additional funding to the Northern Territory Institute of Sport.
11. One-off grant funding to support the Darwin office of the RSPCA.
12. Grant to Darwin City Council for skate park facility in Parap.
13. Equipment grant for sports facilities in Elliott.
14. Grant to Tracy Village Social and Sports Club for sports oval lighting.
15. Funding for personnel to provide support to associations without liquor and gaming licences.
16. Continue the Water Safety Awareness Program for children aged six months to five years under the 'Under 5 Water Safety Voucher Scheme'.
17. One-off funding to the Gapuwiyak Community Government Council to assist with improvements to the community football oval.

2006-07 Major Capital Works	\$M
Hidden Valley Motor Sports complex upgrade	0.5
2006-07 Major Capital Grants	
Indigenous housing	41.7

Territory Housing

2006-07 Major Capital Works	\$M
Public housing – general purpose housing in centres other than Darwin and Palmerston	0.7
Public housing – redevelop unit complexes in urban areas	2.0
Public housing – tailored upgrades in urban areas	2.0
Government employee housing – construct housing in remote localities	2.0
Government employee housing – replace housing in remote localities	2.0
Government employee housing – upgrades	3.0

Revenue Initiatives

A number of key revenue measures are included in the 2006-07 Budget.

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 \$1.25 million from 1 July 2006. Over 1300 businesses will benefit from this change and it is expected to reduce payroll tax collections by \$3.6 million in 2006-07.

As a result of this reduction, 36 locally-based Territory businesses and 22 interstate-based businesses will no longer be required to pay payroll tax from 1 July 2006. Locally-based Territory businesses that continue to pay payroll tax after 1 July 2006 will save, on average, an additional \$13 500 in payroll tax a year.

About 143 locally-based Territory businesses and 44 interstate-based businesses will be relieved from paying payroll tax as a result of the threshold increases of 2004-05, 2005-06 and 2006-07.

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, stamp duty on both quoted marketable securities and financial institutions duty from 1 July 2001, and debits tax and electronic debit transaction duty from 1 July 2005. These changes have reduced the Territory's tax collections by more than \$29 million per year.

Further, 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. Details of these taxes and Government's schedule for abolishing them are provided below.

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. Notably, while duty will be abolished on the rent paid for the grant or renewal of leases and franchise arrangements, conveyance stamp duty will continue to be payable on certain lease and franchise transactions, such as the transfer of a lease. This treatment is in line with that adopted by other states under the Intergovernmental Agreement.

In addition, the legislation abolishing stamp duty on the grant and renewal of leases and franchises will:

- ensure that additional stamp duty is not payable on leases and franchises entered into before 1 July 2006, where the rental payable under the lease or franchise increases after 1 July 2006; and
- include an anti-avoidance measure such that a stamp duty refund will not be payable where a lease is cancelled and the lessee (or an associate of the lessee), immediately before the cancellation of the lease, continues to occupy the leased property with the agreement of the lessor.

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 \$6.8 million in 2009-10.

Equity, Efficiency and Administrative Enhancements

The Government has approved a package of changes that enhance simplicity, efficiency and equity of the Territory's taxation, mineral royalty and home ownership concession regimes.

Consistent with other jurisdictions, a number of changes have been made to the land rich stamp duty provisions. The key measures are:

- apply the land rich stamp duty provisions to acquisitions of interests in unit trusts of 20 per cent or greater;



- extend the range of unit trusts to which the land rich stamp duty provisions apply, by redefining the criteria for trusts to be considered public unit trusts that fall outside of the land rich provisions;
- allow interests in subsidiaries of 20 per cent or more to be counted in determining the value of land to which a company or trust is entitled; and
- prevent the avoidance of land rich stamp duty by listing shares on a stock exchange.

These measures commence from 1 July 2006.

Additional equity and efficiency measures will:

- align the time in which a stamp duty land rich statement is required to be lodged and any stamp duty paid with the existing 60 day period that applies for other stamp duty conveyance documents;
- clarify the scope of an exception to the stamp duty land rich provisions so that it more consistently applies in circumstances where a direct conveyance of land would be exempt from duty under a law of the Territory;
- ensure that stamp duty is not payable on the issue or transfer of a motor vehicle certificate of registration completed to rectify an error in another motor vehicle certificate of registration;
- codify the current stamp duty assessing practice for valuing conveyances of part interests in dutiable property;
- clarify that a surrender of dutiable property is a conveyance for stamp duty purposes;
- cease the sale and use of adhesive duty stamps, and allow a refund for duty stamps already purchased, where they are surrendered before 1 July 2007;
- remove doubt that tax, duty and mineral royalty assessments and decisions are not susceptible to court challenges where the legislated objection and appeal process is available to a tax or royalty payer;
- remove the current prohibition against recovering penalties relating to an assessment where a person is also prosecuted under the *Taxation (Administration) Act*;
- allow the reinstatement of an assessment following a refund or remission of stamp duty where there has been a subsequent sub-sale or conveyance by direction;
- extend the period in which an ineligible first home owner grant recipient is required to repay the grant from 14 days from receipt of a payment notice to 30 days after a payment notice is issued;
- extend the objection and appeal periods relating to the first home owner grant to 60 days and allow appeals to the Taxation and Royalty Appeals Tribunal (rather than the Local Court);
- clarify that a person is not excused from providing self-incriminating information under the *First Home Owner Grant Act*;
- allow disclosure of information gathered under the *First Home Owner Grant Act* to certain agencies of the Australian Government;
- ensure that indirect payments made to company directors and members of the governing body of a company are subject to payroll tax; and
- clarify the operation of the stamp duty, first home owner grant and mineral royalty legislation through a range of other minor changes.

These measures commence from 1 July 2006.

Integrity Measures

In order to maintain the integrity of the Territory's home ownership concessions, the Government has approved measures that:

- ensure that a person is able to obtain either the First Home Owner stamp duty concession or the principal place of residence stamp duty rebate in respect of a home, but not both; and
- prevent a person obtaining the First Home Owner grant for an interest that they acquire in a home they already partly own.

These measures commence from 2 May 2006.

Changes to Fees and Charges

In addition to the above tax changes, there are increases to three Territory charges in the 2006-07 Budget. These are:

- CPI increase of 2.6 per cent for power, water and sewerage charges;
- introduction of a charge to register business names, to offset the cost of enhanced management and systems for Consumer and Business Affairs; and
- increased court fees to reflect the effect of recent increases in demand.

Conversion of Fees and Charges to Revenue Units

Existing fees and charges are established under a wide range of statutes administered by many agencies. To provide a simplified and consistent process for updating charging levels, appropriate fees and charges will be represented as a 'revenue unit' to replace the existing monetary amounts. The unitisation of appropriate fees and charges and the value of the revenue unit are provided by the *Revenue Units Act*.

Generally, the charges that are suitable for conversion to revenue units are those of a regulatory nature, rather than being based on commercial cost-recovery principles. The conversion process is expected to be completed by 1 September 2006. The initial value of a revenue unit will be \$1.00.