

## **HIA welcomes budget initiatives**

The Housing Industry Association has welcomed the Federal Government's eleventh budget, a budget that focuses on building opportunities for Australian business.

HIA Managing Director, Dr Ron Silberberg said, "Tonight's budget balances the needs of families and business."

The Government has continued its responsible fiscal policy which is essential to containing inflationary pressures. Despite income tax relief and other budget initiatives the Government predicts a healthy \$10.8 billion surplus for 2006/07.

"The strong surplus announced in tonight's budget should give business and home buyers the confidence to invest", said Dr Silberberg.

Budget initiatives for business include:

- An increase in the depreciation rate for investments now 200 per cent for new assets acquired after tonight, providing a tax cut for Australian business in the order of \$3.7 billion over the next four years;
- Recognising the importance of infrastructure to future economic prosperity, with an investment of \$2.3 billion in road and rail projects;
- An extension of the simplified tax system for small business providing \$435 million in tax cuts for small business over the next four years;
- A \$216.4 million injection to offset the cost of incorporation, reflecting a 50 per cent discount on ASIC fees;
- Enhancement of skills and training through an additional \$5 billion from 2005/08;
- The self employed now able to claim 100 per cent of their superannuation contributions. They will also be eligible for the Government co-contribution.

Importantly the budget recognises the importance of supporting business and infrastructure in driving growth within the Australian economy and future economic performance.

The Government's significant investment in infrastructure is vital for continued economic growth and employment creation.

"HIA urges all governments to contribute to revitalising Australia's ageing infrastructure. Governments in recent years have cost shifted the provision of urban infrastructure on to home buyers which is both inequitable and inefficient", said Dr Silberberg.

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