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## **MEDIA RELEASE**

### **Federal Budget – CCF backs infrastructure investment, advocates broader tax relief for small business.**

The industry group representing Australia's civil construction sector has welcomed the Federal Government's ongoing commitment to infrastructure in its 2015 Budget, while reminding the Government that even greater funding for productivity-boosting infrastructure would further strengthen the nation's economy.

The Civil Contractors Federation (CCF) also expressed its support for new tax breaks for some small businesses while calling for the concessions to be extended to genuine small businesses with more than \$2 million annual revenue.

CCF National President Tony Baulderstone said Budget infrastructure initiatives such as the National Stronger Regions Fund, and increased funding for the Roads to Recovery and Black Spot Programmes, showed the Federal Government appreciated the benefits that flowed to the economy from productivity-boosting infrastructure.

"We believe the Government can go further, by pursuing structural reforms that would unlock even more funding for vital infrastructure," Mr Baulderstone said.

"We also urge the Government to work with State Governments to ensure that Federally-funded works are packaged to support a broad range of local businesses, including contract de-bundling where appropriate to encourage participation by mid-tier contractors."

Mr Baulderstone said the company tax rate cut for some small businesses was welcome but would be more effective and equitable if extended to businesses with annual revenue up to \$5 million rather than \$2 million.

He said the increased threshold for immediate tax deductions on depreciating assets from \$1000 to \$20,000 would also be welcomed by those small businesses that would benefit.

"Not enough companies will be able to take advantage of these tax reforms, however, because the \$2 million annual revenue limit will exclude many genuine small businesses," Mr Baulderstone said. "In capital and materials-intensive industries such as civil construction, a great many small businesses – commonly defined as companies with fewer than 20 employees – have annual revenue exceeding \$2 million.

"Other small businesses will be excluded because they are not set up as corporations. While those businesses receive a separate benefit, it is limited to \$1000.

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“Overall, this is a solid budget. It recognises business, and particularly small business, as the driver of the economy.”

“Cuts to red tape for small business are welcomed, but a lot more needs to be done to reduce government red tape, particularly around procurement.”

*For further comment contact Tony Baulderstone on 0408 085 0432*

## **About CCF**

The Civil Contractors Federation is the member-based body representing the Australian civil construction industry, providing assistance and expertise in contractor development and industry issues.

Nationally, we represent more than 2,000 members, comprising both civil contractors and suppliers of goods and services to the industry. Our members are involved in a variety of projects and activities including the development and maintenance of civil or “horizontal” infrastructure such as roads, bridges, railways, sewer, water and drainage pipelines, dams, wharves, and commercial and housing land development.