

TRANSCRIPT TWO-----

CHANNEL 10
10/05/2006

Date:

Wednesday

Program: TEN EARLY NEWS
06:48 AM

Time:

Compere: NEWSREADER
S00021877102

Summary ID:

NEWSREADER: Kath's back now with finance. And how are businesses reacting to the budget?

REPORTER: Well Bill, they're applauding the faster depreciation initiatives, and a reduction in the fringe benefits tax.

But many industry groups are saying more is needed.

For more on that, I'm joined by Heather Ridout from the Australian Industry Group.

Good morning Heather. Peter Costello has resisted cutting company tax from 30%, but has offered other measures. Has he gone far enough in your eyes?

HEATHER RIDOUT: Oh, I think he's done a pretty good job. The tax cuts will be good for business, because they'll build consumer confidence.

But the depreciation changes will enable business to invest and get a benefit there. For small companies they've changed the capital gains tax threshold when you sell your business; and they've made further changes to the simplified tax system for small business.

So all round, I think it would be pretty churlish of business not to welcome those aspects of the budget.

REPORTER:

And Heather, in your opinion, are the tax breaks for business, coupled with personal income tax cuts, likely to stem the country's brain drain?

HEATHER RIDOUT:

Oh look, I think they're good for skills attraction and retention in Australia;... and we need a competitive tax system, and this certainly improves the international competitiveness of our tax system.