

# Spotlight on Spending

## Property & Infrastructure

**\$15.2bn of announced additional infrastructure spend, of which only circa \$6bn committed over the next four years. The expansion of existing home buyer support initiatives is welcomed.**

### Key takeaways

#### Major infrastructure commitments by state

State and Territory Infrastructure Commitments	
ACT	\$167.3m for priority <u>road and rail projects</u> , increasing total commitment to transport infrastructure to over \$1.2bn
NSW	\$3.3bn for priority <u>road projects</u> , increasing total commitment to transport infrastructure to \$43.5bn
NT	\$323.9m for priority <u>road and rail projects</u> , increasing total commitment to transport infrastructure to \$3.2bn
QLD	\$1.6bn for priority <u>regional and urban road and rail infrastructure projects</u> , increasing total commitment to transport infrastructure to over \$31.0bn
SA	\$3.2bn for priority <u>road and rail projects</u> , increasing total commitment to transport infrastructure to \$10.7bn
TAS	\$322.6m for priority <u>road projects</u> , increasing total commitment to transport infrastructure to over \$3.6bn
VIC	\$3.0bn for priority <u>road and rail projects</u> , increasing total commitment to transport infrastructure to \$35.5bn
WA	\$1.3bn for priority <u>road and rail projects</u> , increasing total commitment to transport infrastructure to \$17.3bn

#### Other infrastructure commitments

- \$58.6m to support key gas infrastructure projects, unlock new gas supply and empower gas customers
- An additional \$1bn to extend the Local Roads and Community Infrastructure Program
- Up to \$160m to establish the National Water Grid Connections funding pathway
- \$348m for a package of measures to support regional Australia's sustainability, resilience and job creation.
- \$66.1m to upgrade the Newcastle Airport runway to accommodate long range aircraft and facilitate international flights.

#### Home buyer support

- \$782.1m over four years from 2021-22 to increase home ownership, support jobs in the residential construction sector and enhance housing data
  - **First Home Loan Deposit Scheme:** Additional 10,000 New Home Guarantees for first home buyers with buyers with as little as 5% deposit
  - **Family Home Guarantee:** 10,000 places to support single parents with dependents with as little as 2% deposit
- \$774.8m over two years from 2021-22 for the **HomeBuilder** program to extend the construction commencement requirement from six months to 18 months for all existing applicants (who applied by 14 April 2021).

- The Government will reduce the eligibility age to make downsizer contributions into superannuation from 65 to 60 years of age. The downsizer contribution allows people to make a one-off, post-tax contribution to their superannuation of up to \$300,000 per person from the proceeds of selling their home.
- The Government will increase the maximum releasable amount of voluntary concessional and non-concessional contributions under the **First Home Super Saver Scheme (FHSSS)** from \$30,000 to \$50,000.

#### Apprenticeship subsidy

- Additional \$2.7bn to expand the Boosting Apprenticeship Commencements wage subsidy
  - Eligible businesses will be reimbursed up to 50 % of an apprentice or trainee's wages of up to \$7,000 per quarter for 12 months
- 5,000 additional gateway service places and in-training support services to encourage and support more women commencing in non-traditional trade occupations

#### Tax changes

- There are no new tax changes directly impacting the property sector



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### Opportunities

For constructors and civil contractors, the extension of the Instant asset write-off until 30 June 2023 creates an opportunity for reinvestment and upgrading of plant equipment based on a surge in recent demand and certainty in the market.

This measure also creates an opportunity for those seeking to do office and retail fit-outs – in turn generating more activity for constructors who play in this space.

### Did the Budget put the spotlight on what you wanted?

Infrastructure projects were again prioritised in this budget. As part of the Government’s record \$110bn 10-year infrastructure pipeline, an additional \$15.2bn over ten years is being committed to road, rail and community infrastructure projects across Australia.

While there was relatively little targeted specifically at the property and construction industry all industries should benefit from various tax relief and incentives.

The upcoming State Budgets may have more direct implications for the property and construction sectors. Opportunities for infrastructure, innovation and investment are critical to our nation's success.

Reach out to our experts for assistance navigating the implications and opportunities this Budget presents for you, your business and your industry.

#### Our review



3/5 – Not enough in the plot

*While we note the big dollars announced in infrastructure spending, we would have liked more commitment to immediate spending and new initiatives targeting housing affordability.*

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