

2020 Budget Bites Property & Infrastructure



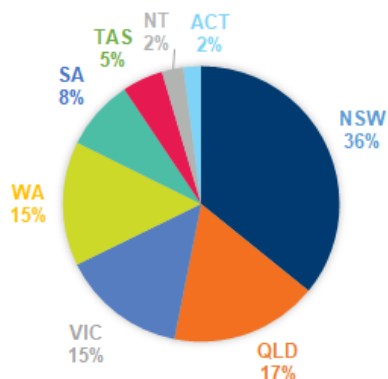
6 October 2020

Infrastructure

Key takeaways

- Increasing infrastructure pipeline from \$100bn to \$110bn over next 10 years
- \$14bn in new and accelerated infrastructure projects targeted at supporting 40,000 jobs since the onset of COVID-19.
- 'Shovel Ready' stimulus, including:
 - \$2bn in road safety upgrades.
 - Additional \$1bn of funding for the recently established Local Roads and Community Infrastructure Program.
 - 'Use it or lose it' for states and territories for the stimulus.
- Water infrastructure - additional \$2bn in National Water Investment Development Fund.

Road & rail infrastructure investment



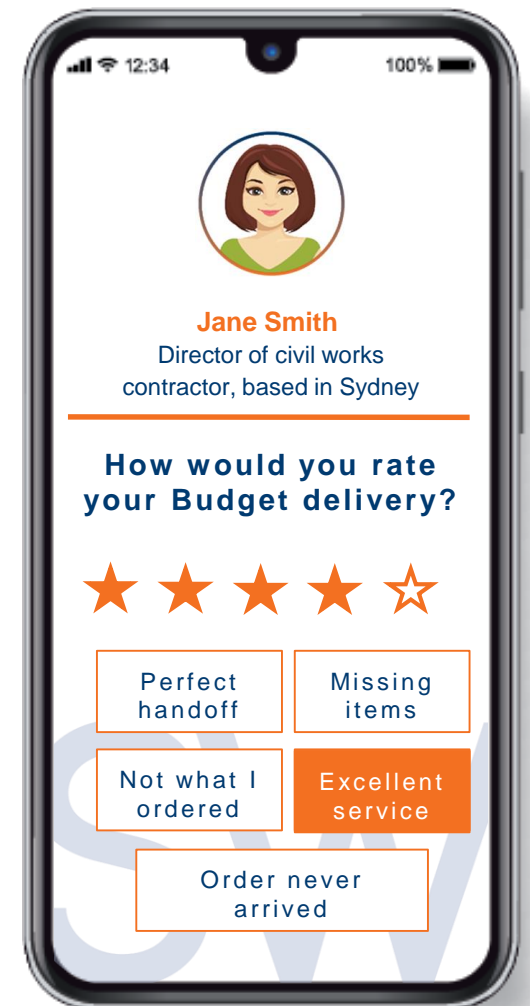
Impacts to your business

Infrastructure investment creating opportunities for the future

- Large civil contractors will be key beneficiaries
- Local road projects will be welcomed by smaller construction firms
- Unclear if existing Australian industry participants can deliver the proposed pipeline
- JobMaker and JobTrainer programmes may help to drive down costs.

Income tax incentives

- The ability to claim tax losses against recent year profits may benefit some businesses (companies only)
- Construction firms may benefit from increased and extended instant asset write-off.



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Property

Key takeaways

- Further 10,000 places for the First Home Loan Deposit Scheme.
- Simplifying Australia's credit framework by removing responsible lending obligations for most credit products. Making the credit application process easier for consumers and enhancing access to credit for small business.
- \$1b in additional bonds to be issued by National Housing Finance and Investment Corporation to attract investment to increase supply of affordable housing.
- \$150m over 3 years for Indigenous Home Ownership Program for new homes in regional Australia.
- Homebuilder program has not been extended beyond 31 December 2020.
- Migration improvement from the second half of 2021 calendar year will be critical to achieving forecast figures.

Impacts to your business

Infrastructure investment creating opportunities for the future

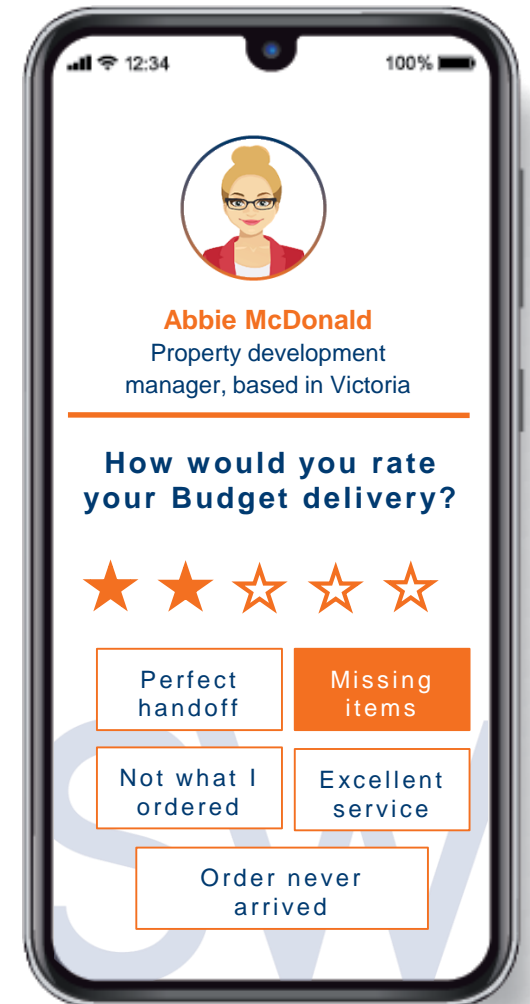
- JobMaker and JobTrainer programmes may help to drive down costs.

Supporting demand

- Improved access to credit for consumers and expansion of the First Home Loan Deposit Scheme should reduce settlement risk
- Additional jobs and infrastructure projects should support property values.

Income tax incentives

- The ability to claim tax losses against recent year profits may benefit some businesses (companies only)
- Build-to-rent developers and other eligible property owners could benefit significantly from increased and extended instant asset write-off.



Did the Budget deliver what you ordered?

Infrastructure projects were prioritised in this budget. However 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.

It has been an extraordinary year of upheaval as the nation grapples with the effects of COVID-19 and we recognise that everyone has been impacted in different ways. Reach out to our experts below for assistance navigating the implications and opportunities this Budget presents for you, your business and your industry.



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