

MEDIA RELEASE

CCAA WELCOMES RECORD CONSTRUCTION SPEND ANNOUNCED IN THE NSW BUDGET

November 18, 2020

The peak body representing the heavy construction materials industry, Cement Concrete & Aggregates Australia (CCAA), today welcomed the New South Wales State Budget and the record funding directed towards infrastructure and shovel ready projects in order to rebuild the state economy fast.

The decision to put Job creation front and centre with a record \$107 billion infrastructure pipeline is welcome news, as is the skills and training blitz that will help people get back into the workforce after this year's significant job losses.

The Infrastructure pipeline over 4 years now sits at a record \$107bn over the 4 year forward estimates compared with the previous record of \$93bn in last year's budget. It is the most ambitious infrastructure program of any state in the nation and will see road and rail infrastructure alone increase from \$55.6bn in last years budget to \$72.2bn.

CCAA is also pleased to see the inclusion of a \$3 billion Jobs and Infrastructure Acceleration Fund, set to underpin the Infrastructure program and support 20,000 jobs as projects are fast tracked across the State.

Delivery of this very ambitious pipeline will continue to rely on the efficient supply of cement, concrete, stone and sand from our construction materials supply chain, and further support the broader New South Wales construction industry that employs some 370,000 workers.

The long-advocated reduction in payroll tax has arrived with the rate to be cut from 5.45% to 4.85% for a two-year period, backdated to 1 July 2020. The threshold also increasing from \$1m to \$1.2m. The decision will represent a significant win for businesses across the state, at a total cost to the budget of \$2.8bn.

The announcement by the NSW Treasurer of arguably the biggest tax reform since the GST is noted, and CCAA is pleased to see the review on stamp duty which has long acted as a hand brake on demand for new housing.

The Chief Executive Officer of CCAA, Ken Slattery, welcomed the move but urged the government to focus their attention on a model that will successfully support new home construction. "The NSW State Government plan to progressively replace stamp duty with property tax is welcome news for the construction industry provided it achieves its purpose of stimulating demand for new home construction across both the short and long term" Mr Slattery said.

Jason Kuchel, State Director NSW & SA for CCAA also welcomed the strong investment directed towards shovel-ready smaller infrastructure projects. These projects play an important role in supplementing the major infrastructure project pipeline to which the Government has committed. "The smaller shovel-ready infrastructure projects announced in the budget are the ones most likely to be built in the short term, giving a more immediate stimulus to the NSW economy." Mr Kuchel said.

Mr Kuchel also welcomed the new \$400m Fast-Track Housing Construction package for new homes as part of a broader \$812m new and upgraded social housing package. "This package is warmly welcomed and reflects one of our key stimulus priorities identified earlier this year in our published [NSW Policy Priorities](#)" Mr Kuchel said.

CCAA, as outlined in the [NSW Policy Priorities document *Rebuilding New South Wales: Protecting Lives: Creating Jobs*](#), has also been encouraging the NSW State Government in its progressive attempts to fast track development assessments and welcomes the new budget measures and targets, including:

- \$22m for an e-Planning platform in 20/21 (92m over 4 years) for a single common digital platform for all Councils and State agencies
- \$76m in 20/21 (\$250m over 3 years) to incentivise local Councils to accelerate development applications and re-zoning through grants for public spaces
- \$64m in 20/21 (\$133m over 3 years) to reduce decision making timeframes including:
 - o 33% reduction in timeframes for planning proposals
 - o 25% reduction for regionally significant development approvals
 - o 17% reduction in major project assessments

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