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The Courier

Information and Advice for NSW Transport Operators

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The Big Picture

Federal Treasurer, Josh Frydenberg, handed down the 2019-20 Budget on 2 April, 6 weeks earlier than normal, in anticipation of an imminent announcement of a Federal election. The following are big picture highlights:

Economic Indicator	Economic Outlook, 2019-20 (%)	Trend from 2018-19 Mid-Year Economic and Fiscal Outlook	Trend from 2018-19 Budget
GDP	+2.75	Up from 2.25%	Down from 3.0%
Household Consumption	+2.75	Up from 2.25%	Unchanged
Dwelling Investment	-7.0	Down from -0.5%	Down from 1.5%
Total Business Investment	+5.0	Up from 1.0%	Up from 3.0%
CPI	+2.25	Up from 1.5%	Unchanged
Wage Price Index	+2.75	Up from 2.5%	Unchanged
Employment Growth	+1.75	Down from 2.0%	Up from 1.5%
Unemployment Rate	5.0	Unchanged	Down from 5.25%

Budget Overview

Receipts	\$505.5 billion or 25.2% of GDP.
Payments	\$493.3 billion or 24.6% of GDP.
Surplus	\$7.1 billion (0.4% of GDP)

This is the first surplus since 2007-08.

Major Announcements Affecting Business and PAYE Taxpayers

The 2019-20 Budget contains the following major announcements:

Business Taxes

- Increasing the instant asset write-off threshold by 20% to \$30,000 and expanding access to medium-sized businesses with an annual turnover of less than \$50 million, effective 2 April, 2019. This measure applies to assets that were acquired after 2 April, 2019, even where they are first used or installed after that date.

Business Compliance with Tax Laws: Allocations to the ATO

- An additional \$1 billion for compliance programs aimed at businesses not complying with tax laws.
- \$42.1 million over four years to increase activities to recover unpaid tax and superannuation liabilities. These activities will focus on larger business and high wealth individuals to ensure on-time payment of tax and superannuation liabilities.

Sham Contracting

- \$9.2 million over four years for a new dedicated sham contracting unit within the Fair Work Ombudsman to address behaviour related to misrepresentation of employment relationships as independent contracts, to avoid statutory obligations and employment entitlements. Funds will be available for education, compliance and enforcement activities, and for litigation.

Personal Taxes

- Increasing the non-refundable low and middle income tax offset for an individual to a maximum of \$1,080 for taxpayers earning more than \$48,000 per annum but less than \$90,000 per annum (\$2,160 for a couple). This offset then phases out from \$90,001 to \$126,000. The base amount of the offset also increases from \$200 to \$255 for those earning no more than \$48,000. This offset is in addition to the existing low-income tax offset and is due to be removed on 30 June, 2022. Taxpayers will be able to access the offset after they lodge their end of year tax returns from 1 July, 2019.
- Increasing the top threshold of the 19 per cent tax bracket from \$41,000 to \$45,000 in 2022-23 and increasing the low income tax offset from \$645 to \$700.
- From 1 July, 2022:
 - Increasing the top threshold of the 19% tax bracket from the previously legislated \$41,000 to \$45,000.
 - Increasing the low income tax offset from the previously legislated amount of \$645 to \$700.
- Reducing the 32.5% marginal tax rate to 30% for taxpayers earning up to \$200,000 to 30% from 2024-25.

Superannuation Measures

- From July 1 2020:
 - Australians aged 65 and 66 will be able to make voluntary superannuation contributions, both concessional and non-concessional, without meeting the Work Test.
 - Extension to 65 and 66 year olds to bring-forward arrangements, which currently allow those aged less than 65 years to make three years' worth of non-concessional contributions, which are capped at \$100,000 a year, to their super in a single year.

Transport Infrastructure Funding

National Overview

- \$100 billion to be allocated to transport infrastructure over the next decade.

- \$4 billion allocated to an Urban Congestion Fund to tackle urban congestion in cities, a quadrupling of the allocation announced in last year's budget.
 - This includes an allocation of \$500 million to a commuter car park fund to increase public transport patronage.
- A Road Safety Package of \$2.2 billion, including:
 - \$1.1 billion for maintenance and repair.
 - \$550 million in increased funding for the Black Spots Program.
 - An additional \$571 million for bridge renewals and safety.
- A further \$1 billion towards Roads of Strategic Importance on top of the existing allocation of \$3.5 billion to upgrade key freight corridors in regional Australia and to improve last mile access to ports.

New Initiatives in NSW

Commitments have been made to the following new initiatives in NSW in 2019-20:

- \$1.6 billion for M1 Motorway extension bypassing Hexham and Heatherbrae.
- \$12.5 million for Pooncarie Rd to Menindee.
- \$500 million for the Princes Highway, Wollongong to the Victorian border.
- \$200 million for 3rd crossing of the Hawkesbury River at Richmond.
- \$400 million for the Newell Highway.
- \$405 million for the M12 Motorway.
- \$50 million for King Georges Rd.
- \$4 million for intersection, Princes Highway and Waratah St, Kirrawee.
- \$4.5 million for Blaxland Rd, Eastwood.
- \$95 million for The Horsley Dr.
- \$50 million for Homebush Bay Rd, Australia Ave and Underwood Rd.
- \$50 million for commuter car parks at Gosford, Hurstville, Panania and Woy Woy.
- \$300 million for the Toowoomba to Seymour corridor.
- \$140 million for the New England Highway, Newcastle to Tenterfield.
- \$16 million for the Dixon's Point Long Crossing near Hill End.
- \$20 million for Clarence Town Rd, Raymond Terrace to Dungog.
- \$20 million for The Bucketts Way.

New Initiatives in the ACT

Commitments have been made to the following new initiatives in the ACT in 2019-20:

- \$20 million for William Slim Dr duplication.
- \$30 million for the Kings Highway.

Western Sydney International Airport and Associated Works

- \$3.5 billion to improve rail services in western Sydney through the Western Sydney North South Rail Link to connect the Western Sydney International (Nancy-Bird Walton) Airport and to associated works.

New High-Speed Rail Initiatives

- \$40 million for feasibility studies into fast rail corridors, including Sydney-Newcastle, Sydney-Wollongong and Sydney-Parkes.

National Freight Data Hub

- \$8.5 million allocation including arrangements for data collection, protection, dissemination and hosting, and the establishment of the freight data exchange pilot to allow access to freight data in real time.

National Heavy Vehicle Regulator

- \$8 million allocation.

2019-20 Project Funding in NSW and the ACT

Projects with funding in NSW and the ACT in 2019-20 under road maintenance funding, Black Spot Projects, Bridges Renewal Program, Heavy Vehicle Safety and Productivity Program, Roads to Recovery or Untied Local Grants include:

Project/s	2019-20 Allocation \$m
Sydney Region	
Appin Rd – Rosemeadow to Appin	17.19
Duplication of Badgally Rd between Eagle Vale Dr, Claymore and Blaxland Rd Campbelltown	5.12
Upgrade tracks on the Port Botany Rail Line; investigate capacity enhancements to the Southern Sydney Freight Line	40.0
Jane St, Mulgoa Rd and High St upgrade Penrith	10.67
Upgrade of Macquarie Park Transport Interchange	10.0
Upgrade of Mulgoa Rd Penrith between Blaikie Rd and the M4 Motorway	7.1
NorthConnex - construction of twin three-lane tunnels linking the M1 and the M2 Motorways	7.0
Western Sydney Infrastructure Plan – local roads package	27.73
Western Sydney Infrastructure Plan – Werrington Arterial Rd, The Northern Rd, M12 Motorway, Bringelly Rd, Ross St intersection	438.47
Western Sydney Infrastructure Plan—North South Rail Link Package	33.0
Central Coast	
Dobell's Rd, various projects	3.02
Upgrade of Oceano St, Copacabana	2.7
Capacity improvements to three sections of the M1 Pacific Motorway, Central Coast	36.37
Hunter	
Upgrade of Cessnock Rd at Testers Hollow	2.0
Construction of the Scone Bypass	5.0
Illawarra and South Coast	
Eurobodalla Roads Upgrade Package - various road and intersection upgrades	9.0
Far North Collector Road – Illaroo Rd North Nowra to Moss Vale Rd Nowra	1.6
Construction of new bridge, intersection upgrades over the Shoalhaven River Nowra	20.0
Planning for upgrades on the Princes Motorway, Picton Rd to Bulli Tops	7.0
North Coast	
Completion of the upgrade to dual carriageway of the Pacific Highway by 2020	332.36
Coffs Harbour bypass	25.0
Replacement of various bridges, Page Rd, Kyogle	0.47
Richmond River valley local road and bridge upgrades	0.54
Southern Inland	
Barton Hwy – Yass valley	25.0
Improve connections between the ACT and regional NSW, targeting the Barton Highway	15.0
Sealing of Dunns Rd, Wagga Wagga	2.0
Signalise intersection of Lanyon Dr and Tompsitt Dr Jerrabomberra	0.9
Construction of a bypass of the Queanbeyan CBD	1.0
Northern Inland	
Bolivia Hill realignment New England Highway	17.2
Realign, construct and upgrade Mt Lindesay Rd from Legume to Woodenbong	4.0
Newell Highway—Mungle Back Creek to Boggabilla heavy duty pavement construction	37.0
Tenterfield Heavy Vehicle Bypass	2.3
Construction of roundabout at the Tingha-Bundarra Rd and Gwydir Highway Inverell	1.5
Blue Mountains – Central West	
Great Western Highway – Katoomba to Lithgow – various projects	4.0
ACT	
Monaro Highway upgrade	5.0
Monaro Highway planning Canberra Ave to Hume	0.75
Pialligo Ave duplication planning	1.1