

Issue 14 of 2022 – 30 March

A BUDGET SNAPSHOT FOR THE BUILDING INDUSTRY

Members are advised that the Treasurer delivered the 2022-23 Federal Budget last night. Whilst there is a wealth of information available on the budget, some of the notable initiatives in relation to the building and construction industry include:

Changes to fuel excise. From midnight tonight, the fuel excise, (i.e., the money motorists hand over to the government via the petrol pump) will be halved, from 44.2 cents per litre to 22.1 cents per litre. This change should filter through over the next two weeks and hopefully make filling up the Ute notably cheaper.

Apprentice support measures. The extension of the Government's highly successful apprentice and trainee wage subsidy is designed to cut costs and boost confidence as members struggle to deal with labour shortages plaguing the industry.

big infrastructure investments. The Government has announced an additional \$17 billion in infrastructure investment over the forward estimates to boost the 10-year pipeline of projects to \$120 billion.

Expansion of the Home Buyers Guarantee. The expansion of the Home Guarantee Scheme and the new Regional Home Guarantee are designed to build on the success of the Government's current measures announced to support industry during COVID and should create significant new work in this area.

Expansion of the Paid Parental Leave Scheme: The changes are designed to expand eligibility and provide more flexibility and greater choice.

- More families will be able to access 20 weeks of leave and decide how they will share it.
- Single parents will now be able to access the full 20 weeks.
- Dad and Partner Pay will be rolled into Parental Leave Pay to create a single scheme of up to 20 weeks, fully flexible and shareable for eligible working parents as they see fit.
- The Paid Parental Leave can be taken any time within 2 years of the birth or adoption of their child.
- The income test will also be broadened to have an additional household income eligibility test.

Expansion of the Employee Share Schemes: Access to employee share schemes will be expanded and red tape reduced. Where employers make larger offers in connection with employee share schemes in unlisted companies, participants can invest up to:

- \$30,000 per participant per year, accruable for unexercised options for up to 5 years, plus 70 per cent of dividends and cash bonuses; or,

- any amount, if it would allow them to immediately take advantage of a planned sale or listing of the company to sell their purchased interests at a profit.

Improvements to reporting of Taxable Payments Reporting System data: The Government will allow businesses the option to report Taxable Payments Reporting System data (via accounting software) on the same lodgement cycle as their activity statements.

More Money for the Fair Work Commission (FWC): \$5.6 million over 4 years for the FWC to establish a dedicated unit to support small businesses, including with unfair dismissal and general protections disputes.

Changes to Government procurement to boost Small to Medium Enterprises (SMEs): Government has announced changes to Commonwealth Procurement Rules to facilitate greater levels of SME involvement and reduce associated costs. The changes are said to “enhance SME opportunities for involvement major projects” by:

- requiring officials to consider disaggregating major projects into smaller contract opportunities, where unbundling would allow greater competition and is appropriate to the type of work on offer.
- reducing the value of insurance costs that suppliers incur, to a reasonable level, and making it clear that, in most circumstances, insurance is not required until a contract is awarded.
- providing faster cash flows through supply chains, by extending the ‘pay on time’ policy to all suppliers (i.e., paying e-invoices within 5 days and other invoices within 20 days or pay interest); and,
- allowing the Department of Defence to build local sovereign capabilities by directly purchasing from SMEs, or using tenders that are limited to SMEs, for procurements worth up to \$500,000.

Changes to the National Employment Standards flagged. Notably, the Industrial Relations Minister’s media release discussed potential changes to the NES. Namely that: “The Government will consult with key stakeholders on amending the National Employment Standards to:

- ensure fairness and equity in redundancy payouts, particularly for women.
- extend an unpaid leave entitlement to foster and kinship carers in recognition of the vital contributions these carers make to the Australian community and some of our country’s most vulnerable children.”

Members with enquiries about the above are encouraged to contact the Association’s Industrial Department on 02 8586 3555.