

## **Budget 2012-13: Infrastructure**

May 2012

Investment in major infrastructure projects was a significant theme of the 2012-13 Federal Budget. Investment in these nationally significant projects is designed to expand Australia's productive capacity, relieve congestion and improve road safety.

### **Pacific Highway**

The 2012–2013 Budget injects an extra \$3.56 billion into the *Nation Building Program*, funding which if matched by the NSW Government could be used to complete the full duplication of the Pacific Highway by the end of 2016, a goal first established by former Prime Minister John Howard.

The latest estimates put rebuilding the remaining sections at \$7.1 billion.

Beyond the duplication of the Pacific and Hume highways, the Government's \$28 billion road construction program, is also updating key sections of the Bruce, Warrego, Newell, Stuart, Princes, Colder, Dukes, Midland, Great Eastern and Great Northern highways.

Three quarters of the Federal roads budget is earmarked for projects in rural and regional Australia.

Map of designated projects can be found [here](#).

### **Rail and Freight**

As well as rebuilding large stretches of the National Road Network, the Government is making the substantial investment in generations in modernising the Interstate Rail Freight Network.

The 2012–2013 Budget adds two new projects to the Government's capital works program:

- **Moorebank Intermodal:** The NSW Government will commission the private sector to design, build and operate a major, new facility in Sydney's south west at a cost of \$1.6 billion. When up and running in 2017, it will take 1.2 million trucks a year off the City's road network, prevent gridlock around Port Botany and ultimately transform the movement of freight across the entire eastern seaboard.
- **Torrens and Goodwood Junctions Upgrade:** The South Australian Government will upgrade the section of the Interstate Network which runs through the heart of Adelaide by eliminating two existing bottlenecks: one at Goodwood and the other just north of the CBD. The Government will provide \$232 million for Adelaide's suburban rail network.



### Consolidating regulation

As well as improving the infrastructure that the nation's \$61 billion transport industry relies upon, the 2012–2013 Budget provides \$38 million over three years to finalise and bed-down historic reforms to the way it's regulated.

From 1 January 2013, 23 separate state and federal regulators covering heavy vehicles, rail safety and maritime safety will be replaced with three national regulators administering one nationwide laws.

### Nation Building

The 2012–2013 Budget committing new funding to maintain a range of initiatives which have helped to make our roads better and safer, including:

- \$300 million to extend the *Black Spot Program* for a further five years, an investment which can be expected to prevent over 2,000 accidents and the loss of 14 lives a year.
- \$1.75 billion to extend the *Roads to Recovery Program* until 2019 to assist the nation's councils and shires maintain and upgrade their local roads, supplementing the support they receive under our Financial Assistance Grants Scheme.
- \$140 million to continue the *Heavy Vehicle Safety and Productivity Package*, with the funding to be used to provide the safe, modern rest stops and other roadside facilities which truck drivers rely upon.

Over the next 12 months, a full schedule of major road, rail and public transport projects will be finalised in consultation with *Infrastructure Australia*, industry as well as state and territory governments.

### NBN

As of 31 March 2012, NBN Co. estimates that work had commenced in providing fibre to around 270,000 premises across the country. Over the next three years, NBN Co. will commence work in over 1,500 communities, covering 3.5 million premises throughout Australia.

### Increased tax for Managed Investment Trusts

The Government announced it will increase tax for managed investment trust final withholding tax rate from 7.5 per cent to 15 percent, with effect from 1 July 2012. This measure is estimated to have a gain to revenue of \$260 over the forward estimate period. National Infrastructure projects have in recent times increasingly been financed in cooperation with managed investment trusts.

	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	50.0	65.0	70.0	75.0