



MEDIA RELEASE

FOR IMMEDIATE RELEASE

9 May 2017

FEDERAL BUDGET CUTS REAL INFRASTRUCTURE FUNDING BY \$7.4 BILLION

The Federal budget cuts real infrastructure by \$7.4 billion compared to the 10 year average – and sees Commonwealth funding at its lowest level since the early 2000s – shown in the attached graph - said Infrastructure Partnerships Australia.

“This budget cuts Federal infrastructure funding by \$7.4 billion over the forward estimates and sees infrastructure funding at its lowest level in more than 10 years,” said Chief Executive Brendan Lyon.

“Real funding matters because state governments and companies cannot build projects or employ a workforce for projects beyond the budget’s forward estimates, which are several Federal elections in the future.

“The Commonwealth must commit to a long-term and predictable budget funding stream at the decade average of circa \$6 billion per year and use that money to fund the more-than 100 national priority projects sitting idle on Infrastructure Australia’s list.

“States need to provide Infrastructure Australia with better levels of detail about their projects, but it would be a much stronger incentive if they could see a long-term, stable and real funding stream.

“Beyond Western Sydney Airport and Inland Rail, Federal government ‘equity’ and Federal Government project ‘loans’ can’t help, because they can never be repaid.

“Everyone from the Productivity Commission to Infrastructure Australia have found that public infrastructure like passenger railways, highways and most motorways need government budget grants or subsidies, because they cost more than they can earn.

“If infrastructure projects were commercially feasible without government funding, they would already have been done by increasingly desperate state governments.

“The Federal Government has a hard job to balance its books and fix flagging productivity, but we need to be transparent about the problems and the solutions because Australia is fresh out of easy answers.”

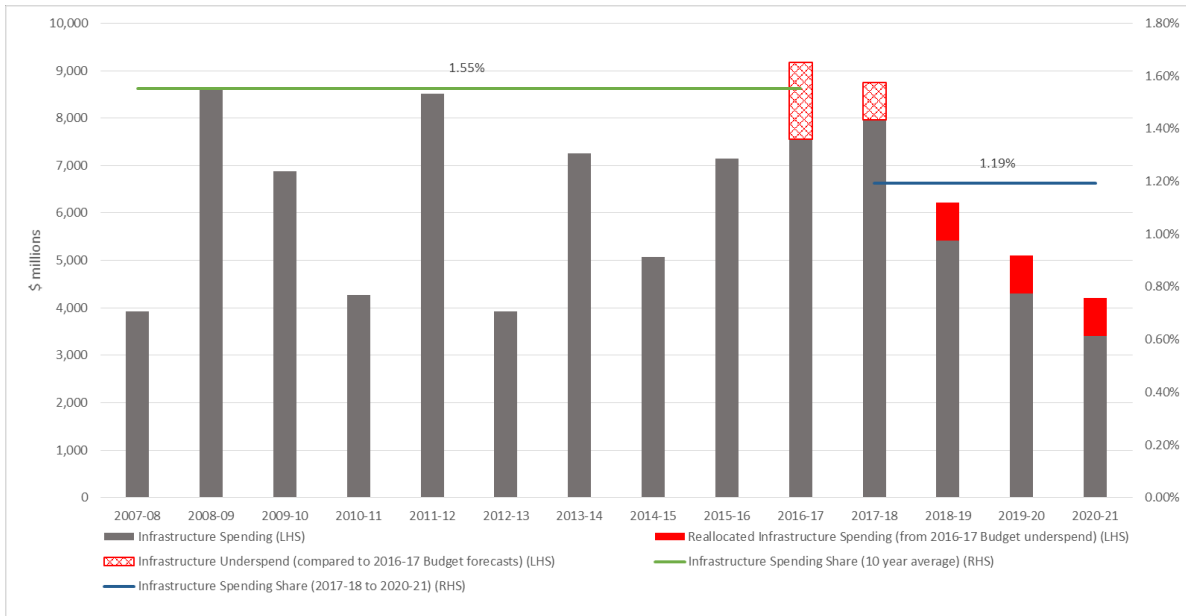




MEDIA CONTACT:

Sarah Dagg T 0438 380 464

Figure one: Committed Federal general government infrastructure funding, 2007/08 – 2020/21 (nominal LHS, as a percentage of general government expenditure, RHS)



Source: IPA analysis of Budget papers

