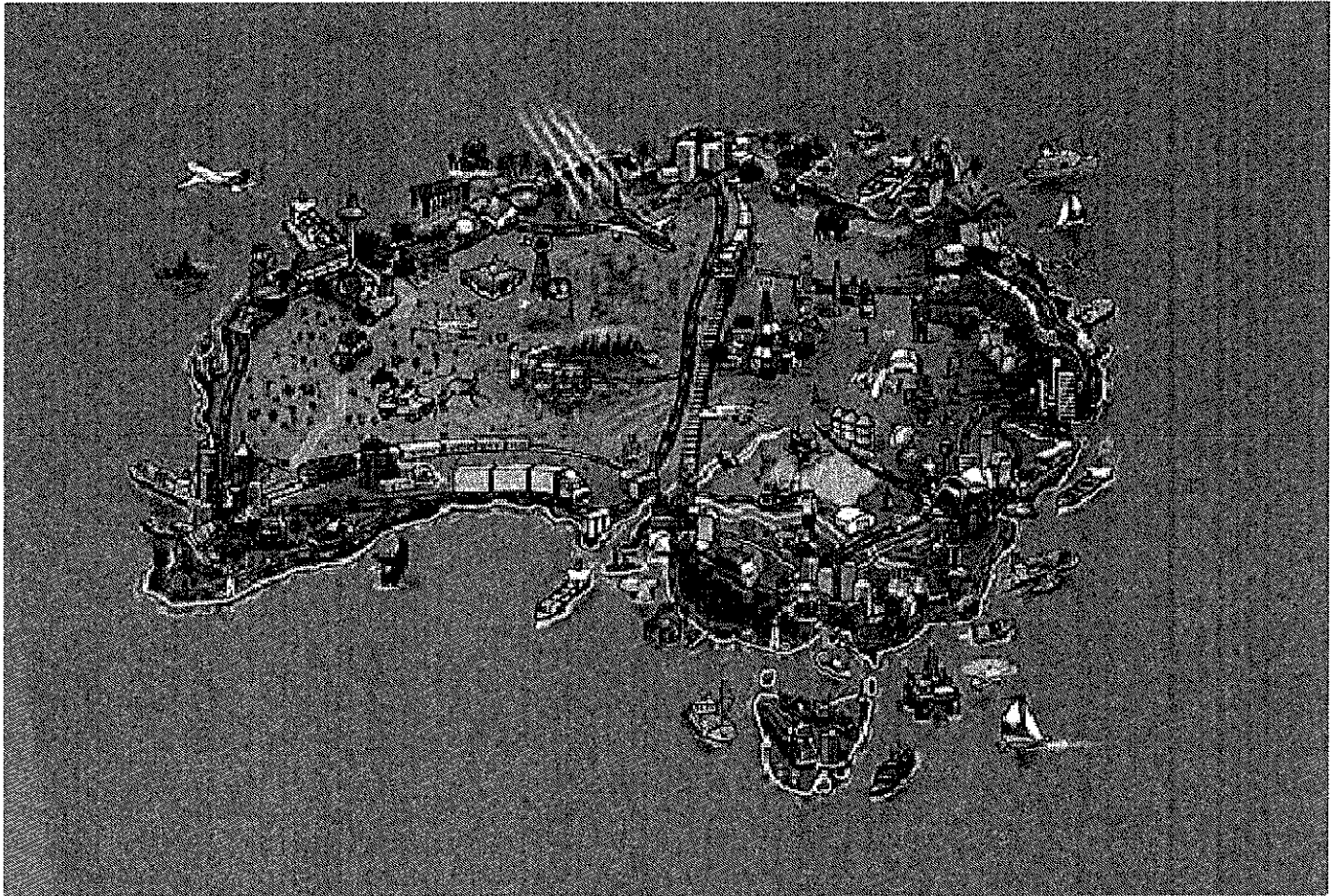


# States Should Follow Feds' Lead in Infrastructure Investment



Australia is now over six months into the 2015-16 Federal Budget and many major infrastructure projects are underway across the country.

Recognising the need to invest in infrastructure as a way of boosting economic growth and prosperity, increasing productivity and creating new jobs, the Federal Government committed \$50 billion allocation to infrastructure investment, \$43.9 billion of which made up the Infrastructure Investment Programme. Included in the programme are a number of individual projects such as the Bridges Renewal Programme, the National Highway Upgrade Programme and various other initiatives which involve the construction of and improvements to road and rail networks.

Despite these already generous allocations, there is an opportunity for state governments to follow the lead of the Federal Government and fill the gap that has been left from the mining investment collapse. Whilst NSW and Victoria have already stepped up to the plate by committing sizeable funds in the medium term to infrastructure spending, it is Queensland and Western Australia that have been the hardest hit by the mining crash. The time is right for them, as well as the other states, to follow NSW and Victoria's lead. A real boom in infrastructure projects will then do something to restore economic growth and prosperity, including the creation of a plethora of new jobs.

But whilst infrastructure investment has long been recognized as a known way of boosting the

economy and preparing for the future, projects must be chosen wisely to provide the right immediate and long-term benefits.

With capital and major cities across the country continuing to spread wider and wider by the year, focus should be placed on transport. High housing prices and a lack of real estate is forcing many Australians out of CBDs and inner city suburbs, and into new housing developments in outer suburbs. Australian families are more likely to move further afield if they have good quality, reliable roads on which to travel back into the inner city areas. As these housing developments grow, so will businesses in these areas. These businesses also need quality roads to bring in their stock and reliable transport, either by rail or bus, to attract consumers.

As well as the organic expansion of major cities into outlying metro areas, there is also a big push for increasing CBD living, which can produce a different set of problems. CBD and inner city roads need to be maintained to a high standard to allow for the extra traffic of residents as well as the normal weekday traffic of workers. The new CBD living population needs to coexist with the current working population that works in the CBDs. An increase in the living population in CBDs will naturally increase the pressure on CBD infrastructure. Like the expansions of suburban areas, CBD living requires specific facilities, such as supermarkets, which in turn results in a higher frequency of truck carrying produce and stocks. Road infrastructure needs to be able to cope with these demands.

Not only do the right projects need to be chosen, there should be a conscious focus on the expediency of these projects, especially when it comes to roads. Let's face it, we all hate sitting in roadworks but the end product is definitely worth it. This is when prefabricated options, such as precast concrete, need to be considered. With off-site production and quick installation on site, precast concrete can reduce time on site, therefore reducing the length of roadworks. Short roadworks time and new roads will please taxpayers.

The states should strongly consider injecting money into infrastructure, especially roads, but they also need to borrow big dollars to truly invest in our future. Fortunately, Australia is a position where not only will these funds help produce or restore infrastructure, they will provide job opportunities for the unemployed. While borrowing billions may seem risky, it would be a solid investment in our country's future.

