

Media Release

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Productivity Commission Report Shows Public Infrastructure Investment is Ripe for Reform

The Urban Development Institute of Australia has welcomed the release of the Productivity Commission's draft report on Public Infrastructure.

The report examines the funding and financing of public infrastructure projects, and finds that there is plenty of room for improvement across all levels of Government, and potential gains to be had from greater private sector involvement.

"Australia has failed to invest in the infrastructure necessary to support our growing population and economy, and we are now left with a considerable infrastructure deficit," said UDIA National President Cameron Shephard.

"By some estimates our infrastructure deficit is as much as 770 billion dollars. Failure to provide greater and more effective investment in infrastructure, particularly urban infrastructure, will drag on Australia's economic productivity, and the quality of life in our major cities."

One of the key findings of the report is the need for comprehensive reform to the assessment and development processes for public infrastructure projects. The report cites existing examples of poor value for money spending and warns that without better project selection, additional spending will be wasted.

"UDIA has consistently argued that rigorous cost benefit analysis and strong, independent advice to government from bodies such as Infrastructure Australia is necessary for major new infrastructure projects, in order to ensure that tax payers get the best value for money."

"Addressing Australia's infrastructure problems must be a key priority for the Commonwealth, and will require a concerted effort on behalf of all levels of government, and the private sector. Failure to make investment in infrastructure both greater and more effective means putting future generations at risk of lower living standards," concluded Mr. Shephard.

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