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Local Government Infrastructure Stimulus Welcome but 'falls short'

Australia's peak voice for the civil infrastructure sector, Civil Contractors Federation National, today acknowledged the announcement by the Federal Government of a \$1.8 billion local government infrastructure stimulus, but said further investment is required to stimulate Australia's economic recovery effort.

The new \$500 million Local Road and Community Infrastructure Program is a welcomed initiative but CCF National urges more money to be injected into this and other civil infrastructure programs across urban, rural and regional Australia.

CCF National has been advocating for the Federal Government to utilize the capacity of the civil infrastructure sector in Australia's economic recovery efforts at a time when it has the capacity to undertake more projects and employ more workers," said Chris Melham, CCF National Chief Executive Officer.

"Indeed, CCF National recently undertook a <u>survey</u> of its members which provided strong evidence that the sector has the capacity to take on more civil infrastructure projects and employ thousands more workers to stimulate the Australian economy.

"CCF National has been a vocal supporter for investment in civil infrastructure to manage the economic impact of COVID 19 and recently wrote to the Federal Government's National COVID 19 Coordination Commission and the Expenditure Review Committee (ERC) confirming the sector's ability to lead our recovery efforts.

In its submission to the ERC, CCF National's recommendations were:

- Bringing forward monies from the \$100 billion Infrastructure Program to fund shovel ready civil infrastructure projects, such as road, rail, bridge, utilities, drainage and telecommunications projects.
- A stronger focus on increasing the longer-term civil construction investment pipeline by using debt funding for productive infrastructure projects to stimulate the economy both during and after this economic crisis whilst interest rates are at historically low levels.
- The redirection of a portion of any surplus funds from the 'social infrastructure' programs toward the medium and longer-term civil infrastructure project pipeline to provide the private sector with much needed investment confidence.
- Where appropriate, larger infrastructure projects to be disaggregated and spread across as many tier 2 and tier 3 companies across all states and territories.

"On behalf of the civil infrastructure sector that contributes \$135 billion to the Australian economy (8.1% of Australia's GDP), employs 1.1 million Australians and comprises 345,000 businesses, CCF National continues to encourage the Government to better utilize the sector's capacity in leading our economic recovery efforts," Mr Melham concluded.

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