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CCF Budget Submission Calls on Government to 'Borrow to Build' to Bounce Back from Recession

Australia's peak voice for the civil infrastructure sector, the Civil Contractors Federation National (CCF), has called on the Government to adopt a bold 'borrow to build' policy in CCF's 2020-2021 pre-budget submission.

CCF's [submission](#) puts forward five policy proposals aimed at harnessing the economic capacity of the civil infrastructure sector to support the economic recovery from COVID 19 and the recession.

"CCF's key recommendation to Government is to take advantage of historically low interest rates and to 'borrow to build' to support jobs in this worsening economic climate," said Chris Melham, CCF Chief Executive Officer.

"CCF agrees with recent comments from the Reserve Bank of Australia, Philip Lowe, that Governments should use debt funding to increase levels of infrastructure investment to counter the effects of the recession.

"For every \$1 of public investment in infrastructure, the return can generate \$4 over the life of the asset, with benefits amplified when the spend is spread across as many tier 2 and 3 civil construction companies as possible.

"Borrowing to invest, rather than an over reliance on bringing forward funding from the existing Infrastructure Program, is necessary to ensure a sustainable and balanced infrastructure pipeline in the medium to longer term.

"It is also necessary to boost business confidence and support increased capital investment in plant and equipment necessary to support civil infrastructure projects," he said.

Mr Melham said the CCF pre budget submission backed the Reserve Bank of Australia's assessment that governments should prioritise job creation over preserving credit ratings.

"Mr Lowe's recent statement that 'creating jobs for people is much more important than preserving the credit ratings' reinforces the importance of investing in job-creating projects, such as civil infrastructure works," he said.

"Such an approach would support the Government's policy objective to transition unemployed Australians to sectors of the economy where strong employment growth is expected," he said.

CCF's submission also advocates for reforms to support a more sustainable civil infrastructure industry by:

- procurement reform and disaggregating infrastructure projects to foster broader competition;
- establishment of local participation requirements (at employment and product source level only); and,
- a focus on contracting models to ensure Tier 2 and 3 contractors secure more work and can mature.

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"The peak voice of the Civil Infrastructure Sector"