



Coalition's Proposed Strengthening of Infrastructure Australia a Welcome Step

The Australian Logistics Council (ALC), the peak representative body for the freight logistics industry, welcomes the release today of the Coalition's policy to strengthen the role of Infrastructure Australia.

"ALC believes it is time for Infrastructure Australia to enter a new phase and take on a much stronger role in terms of assessing government spending," said Michael Kilgariff, ALC Managing Director.

"Infrastructure Australia should be the 'productivity commission' of infrastructure and play a greater role in the identification and prioritisation of major infrastructure projects.

"Enhancing the role of Infrastructure Australia is one of the key priorities identified by ALC in our 2013 Election Priorities document '[Time to Deliver](#)' which was released today.

"ALC therefore welcomes the Coalition's commitment to boost Infrastructure Australia, including its proposal to establish a dedicated unit within IA to evaluate finance options for nationally significant infrastructure projects and to investigate new funding models.

"ALC has called for Infrastructure Australia to be provided greater capacity to facilitate enhanced private sector investment in freight logistics infrastructure, and so the proposed establishment of the Funding and Finance Advisory Unit is a positive step forward.

"The fiscally challenging position Australia currently finds itself in underscores the importance of facilitating the uptake of more private sector investment in essential freight logistics infrastructure.

"The Labor Government has taken some important steps in this area, including changes to taxation treatment for projects on the Infrastructure Priority List, and ALC congratulates it on this reform.

"To meet our infrastructure shortfall however, we must continue to streamline the PPP process.

"ALC therefore acknowledges the Coalition's pledge to require Infrastructure Australia to work with the private sector to investigate innovative funding and financing options for projects in the national pipeline.

"Harnessing greater investment from the private sector, particularly from the \$1.6 trillion superannuation fund, is critical to funding new logistics infrastructure which will help boost national productivity," he said.

Mr Kilgariff challenged both major parties to subject all major projects to a rigorous cost benefit analysis before receiving public funding to test whether they are in Australia's long term economic interest.

"Infrastructure funding decisions need to be based on supporting projects that achieve positive long-term economic returns, rather than projects that have political appeal but do not have a productivity or efficiency pay-off," he said.

"A further area of reform ALC would like to see is greater involvement of industry and industry groups in the project identification process, including being able to submit business cases to Infrastructure Australia for funding consideration.

"Infrastructure Australia plays an important role working with governments to better identify and prioritise infrastructure projects.

"ALC would like this to go a step further, with a greater focus by IA on working in closer collaboration with industry to identify and develop proposals for action to improve freight efficiency," he said.

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