



Media Release

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Federal Budget 2016 responsible for times but more investment needed

The peak industry body representing the Civil Construction industry says that Scott Morrison's first Federal budget is responsible given current economic conditions although more investment in infrastructure is going to be needed to support the transitioning economy and build confidence across the construction industry.

The Civil Contractors Federation said whilst a number of measures were welcomed such as tax rate cuts for small business, changing thresholds for small business subject to tax rate cuts and tax write-off incentives, a lot of the infrastructure announcements for the 2016-17 financial year and beyond relate to projects that were already locked and loaded from previous budgets.

"It's clear that the Turnbull government is committed to controlling spending in light of the difficult economic environment. However, much has been spoken of the need for infrastructure to position our economy for the future and on that score more consideration is needed to expedite infrastructure investment on new initiatives," said CCF National Chief Executive Officer, John Miller.

"A strong construction industry is recognized as a lead indicator of economic well-being and investment in infrastructure is needed to support the broader economy and prime the construction industry to maximise its capacity to contribute to the government's mantra of jobs and growth.

"The government can rightly point to its \$50b infrastructure investment from 2013-14 through to 2019-20 as evidence of a commitment to infrastructure spending although this year's budget, outside of the land acquisition fund to support the future Brisbane-Melbourne inland rail project, is light on other new project investments.

"We recognize that this budget is about responsibility and living within our means and the government needs to be commended at such a critical time they have considered budget repair as a priority. Conversely, this should encourage the government to more urgently explore alternative infrastructure investment strategies to avoid growing the infrastructure deficit.

"Controlling debt has clearly a major concern for the government in framing the budget but in considering major infrastructure that is going to support multiple generations, we must be prepared to invest now on behalf of future generations," concluded Mr. Miller.

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