

## MEDIA RELEASE

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### AUSTRALIA'S PROSPERITY JEOPARDISED BY UNDERINVESTMENT IN INFRASTRUCTURE

Australia's economic growth is being held back because of major underinvestment in infrastructure investment says Professor John Stanley, Chair of ADC Forum, a leading Australian think-tank. Since the mid 1980's Australian investment in essential transport infrastructure has fallen behind by over \$250 billion. The failure to make this investment has cost Australia dearly, reducing the national productivity growth rate by between 0.2 and 0.5 per cent per annum, according to leading economists.

ADC Forum is holding a National Infrastructure and Cities Summit in Sydney on 13-14 March 2014, to bring together key stakeholders to find innovative solutions to this problem.

The impacts of inadequate infrastructure investment can be seen in congested public transport services and roads, lagged provision of social infrastructure and services in our fast growing outer suburbs, housing supply problems linked to poor accessibility and deteriorating roads in regional and rural areas.

"This is not a blame game," says Stanley, "As a nation we have failed in the area of infrastructure over many years. It is important for us to come together to tackle the issue and recapture our lost potential".

The Summit is about finding innovative solutions, building on work which has already been done and examining key issues. If infrastructure spending is to be lifted, what should our top priorities be? How should they be determined? Are we getting maximum value from our existing infrastructure base and, if not, what do we need to do to improve performance?

"Our current approach to infrastructure prioritisation in Australia is heavily weighted towards a small number of major projects, particularly big transport projects", said Professor Stanley. "Is this going to deliver better productivity and liveability outcomes than spreading our focus more widely, across cities and regions and different sectors? Integrated planning of our land use, transport and other infrastructure, with disciplined application of cost benefit analysis, is fundamental to answering these questions and reforming the way we charge for road use is a central part of the solution in the transport sector."

The Summit will bring together Australian experts and decision makers and leading international experts, including Professor Robert Cervero from University of California, Berkeley, a world leader in the area of integrated land use and transport planning and Professor Khoo Teng Chye, Executive Director of the Centre for Liveable Cities, Ministry of National Development of Singapore, who will explain how Singapore has dramatically improved its water self-sufficiency. Federal Ministers and Shadow Ministers will also participate in the Summit.

Eight expert working groups have been preparing for the Summit over several months and Stanley is confident that the event will contribute practical solutions. "If we are not to slip further behind as a nation, we need fresh and innovative approaches, particularly in the way in which infrastructure is funded. We expect significant game-changing ideas to be presented and the Summit will be a major national forum for essential debate and testing new ideas," says Stanley.

## **BACKGROUND**

### **National Infrastructure and Cities Summit ,Sydney on 13-14 March**

#### **Key Facts**

National Institute of Economic and Industry Research (NIEIR) Reports:

For Australia to have retained the relative investment levels between transport infrastructure net capital and non-primary business capital stock between 1984 and 2011, transport investment would have had to be \$250b larger over this period (NIEIR estimate).

The failure to make this transport investment alone has been estimated by NIEIR to have reduced our national productivity growth rate by between 0.2 and 0.5 per cent per annum.

#### **About ADC Forum**

ADC Forum is a wholly Australian, non-political, not-for-profit leadership organisation which brings together leaders from business, government, the public sector, academia and the broader community to improve their understanding of key issues affecting Australia.

[www.adcforum.org](http://www.adcforum.org)

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