Australia’s Infrastructure Outlook

A briefing to Austrade

21 September 2016
Brendan Lyon
Chief Executive Officer
Jointly established and owned between the public and private sectors;

Focus on research, policy development and advocacy toward efficient infrastructure markets;

Publish a range of research outputs; and

The Australia & New Zealand Infrastructure Pipeline – in partnership with Austrade and the NZ Government (28 October).

Further information:  [www.infrastructure.org.au](http://www.infrastructure.org.au)
Infrastructure is a major political and social policy theme.
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Australia’s infrastructure policy themes
Infrastructure is a major political and social policy theme

There's an increased focus on economic productivity

Governments are committed to funding a large number of major projects
But unsustainable government budgets mean there is no public money.
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### Australia’s infrastructure policy themes

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<th>EXPENDITURE</th>
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<td><img src="image1.png" alt="Diagram" /></td>
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<tr>
<td>And longer term changes to social infrastructure</td>
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Infrastructure investment has slowed

Australian Infrastructure Metric – Work Won
(2015-16 vs Five Year Trend – Percentage change)

Source: IPA/BIS Shrapnel Australian Infrastructure Metric, June Quarter 2015
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But a recovery in non-mining construction is underway.

**Australian Infrastructure Metric – Work Won**
(2015-16 vs Five Year Trend – Percentage change)

- **Non-mining**: +7.83%
- **Transport**: +15.05%

*Source: IPA/BIS Shrapnel Australian Infrastructure Metric, June Quarter 2015*
But a recovery in non-mining construction is underway.

Australian Infrastructure Metric – Work Won
(2015-16 vs Five Year Trend – Percentage change)

- Utilities: -24.33%
- Transport: +15.05%
- Non-mining: +7.83%

Source: IPA/BIS Shrapnel Australian Infrastructure Metric, June Quarter 2015
Led by transport and road projects

Major Road Project Pipeline

- Total Highways and Arterials plus Private Toll Roads
- North-South Corridor (SA)
- Ipswich Motorway (QLD)
- Gateway Motorway (QLD)
- TransApex (QLD)
- LCT, CCT, M7 (NSW)
- EastLink (VIC)
- Bruce Highway (QLD)
- Pacific Highway (NSW)
- WestConnex (NSW)
- Western Distributor (VIC)
- NorthConnex (NSW)
- Western Sydney Infrastructure Plan (NSW)
- Other Queensland Highways and Arterials (during flood reconstruction works)

$ Billion (in constant prices)

Year ended June

Forecast

Source: ABS, NTC, BIS Shrapnel

Source: BIS Shrapnel (2016)
Driven by asset sales... an approach that will eventually gain traction across all states

Asset sales in Australia – Historical and Projected ($M)

Source: IPA (2016)
So we are optimistic about the greenfield pipeline

Source: IPA (2016)
Why invest in Australia?

A deregulated, sophisticated and open financial sector
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Sound economy with a stable outlook
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Existing goodwill and appetite for international skills and investment

In a democracy, change always involves some degree of conflict – like Ausgrid

But we’ve got a long list of things we need – and we know we need global skills and investment