

Media Release

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IPWEA: Federal Government budget provides a pragmatic approach to infrastructure

IPWEA believes Jim Chalmer's first budget for the Federal Government has taken a pragmatic approach when it comes to infrastructure spending. With labour constraints and inflationary pressures continuing to strain the sector and economy, the government is right to prioritise spend.

IPWEA President, Myles Lind said: "Whilst the budget signals the Government's intent to decrease funding for infrastructure, we are buoyed by the recognition of needing to upgrade existing assets and maintenance of local roads.

"We have remained consistent in our message to all levels of government, that the thriving and resilient communities need good quality asset maintenance and replacement programmes. The 2021 National State of the Assets report highlighted that replacing poor quality infrastructure is estimated to cost \$51bn. The importance of long-term thinking when it comes to infrastructure assets must persist."

Capacity and Capability

IPWEA supports the permanent Migration Program and its expansion to 195,000 in 2022–23, a real increase of 35,000 people. More than 90 per cent of new places will be for skilled migrants, and more than a quarter targeted to regional areas. However, given the considerable investment into infrastructure we need to see priority given to those skilled migrants who can work in local government and specifically those involved with managing infrastructure assets.

IPWEA is a strong advocate for building capacity through continuous professional education and training. Asset managers are vital long-term stewards for the infrastructure which the Australian community relies heavily on and uses on a daily basis, so an investment in their capacity to deliver is also an investment in the capacity of our nation.

"In our view, the Federal Government should be subsidising training for the IPWEA Asset Management Pathway. Professional bodies such as IPWEA have strong track records in professional education and should be trusted with public funds to deliver programs which will ultimately be to the public benefit," said Jenkins.

Long-term Thinking

IPWEA is pleased that the government is focused on renewals and upgrades of bridges and local roads; maintenance and renewal are critical.

“Those concerned with making decisions regarding assets, need to consider budget allocation and maintenance in the context of intergenerational inequity. We cannot hand neglected and unsafe assets to our children’s generation and beyond.

“In addition, the pandemic created a sharp bifurcation in how people now expect to work, live and play. New assets will need to be designed and delivered with sufficient flexibility to allow for change of use over time, and current assets retrospectively fitted to suit the evolution of use,” said Jenkins.

Climate Change

With destructive climate events occurring more frequently, we support the federal government’s plans to continue to assist the states and territories as they rebuild critical public infrastructure. However, rebuilds must also consider the use of sustainable materials. This would be supported with incentives to rebuild using resilient and environmentally friendly materials (where possible) that will stand the test of time.

“Local government at the end of the 2019-20 financial year controlled a \$523bn assets portfolio. Whilst pragmatism is the right choice given macro-economic factors, we must not forget the importance of people, capacity and capability when it comes to infrastructure. We need a considered and long-term view with infrastructure that will leave a legacy,” said Jenkins.

Summary

This is a sensible budget when it comes to infrastructure assets. We still want to see funding ring-fenced for capacity and capability in asset management at the local government level to ensure our assets are safe and fit for purpose long after they are opened. Peak bodies have a role to play when it comes to delivering quality education and IPWEA will continue to advocate for the important role asset management delivers to our community.

About IPWEA

The Institute of Public Works Engineering Australasia is the peak association for municipal and public works professionals in Australia and New Zealand. IPWEA is a global leader in the delivery of sustainable infrastructure asset management, financial planning and reporting.

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