

Budget 2020 – Infrastructure

Infrastructure - Overview

The infrastructure measures are missed opportunities. Missed opportunities to:

- invest in social infrastructure, instead of physical infrastructure. The physical infrastructure measures central to the “JobMaker” slogan of the budget, should be renamed Men’s JobMaker;
- make infrastructure work for all Australians. While the roads infrastructure sector were chosen in an effort to pump money into the economy quickly, it was a missed opportunity to maximise impact. Government could do more to drive value from infrastructure spending by using its procurement power to require women’s jobs be created as well as men’s jobs. Tying the infrastructure funding in part to social housing and other social infrastructure that increases wellbeing and economic security for women AND men. Truly then a JobMaker program. This opportunity was missed;
- Improve transparency and accountability on infrastructure investments. Budget black holes for infrastructure of questionable value have been refilled.

Infrastructure

The Budget

Infrastructure spending is the centrepiece of the 2020 Budget. The Government makes no secret that the Budget strategy was to pump money into the economy quickly through “shovel ready” infrastructure.

The infrastructure spending is spread across a range of individual measures in the budget papers with most of the funds summarised in the *Economic Recovery Plan for Australia, JobMaker – creating jobs and rebuilding our economy* document. According to the budget papers, the infrastructure investments aim to reduce traffic congestion and improve road safety in Australia and create 40,000 jobs.

States and territories will share \$6.7 bn over four years, part of the \$14bn infrastructure measures in the budget, which includes previously announced projects with construction brought forward. The funding is principally for road infrastructure with only 5 of the more than 30

projects announced involving public transport. Reflecting the longer lead times with large infrastructure projects, significant funding does not actually flow until the 2021-22 year. Two programs will bridge the gap in 2021 until the State and Territory specific JobMaker expenditure commences.

With funding phased over two budget years for both the road safety and Local Roads and Community Infrastructure Programs, 1.5 bn worth of road and small-scale community infrastructure will be undertaken in the next 7 months alone. This will be a mammoth task of implementation and the risks with successful execution have already been raised by some commentators.

JobMaker Plan – Infrastructure Investment – road safety and upgrades

Payments (\$m)	2020-21	2021-22	2022-23	2023-24
Department of the Treasury	1,000.0	1,000.0	-	-
Department of Infrastructure, Transport, Regional Development And Communications	4.4	4.2	2.8	3.0
Australian Competition and	0.4	-	-	-
Total – Payments	1,004.8	1004.2	2.8	3.0

Source: Budget Measures 2020-21 – Part 2 Payment Measures, p.134.

JobMaker Plan — Local Roads and Community Infrastructure Program — extension

Payments (\$m)	2020-21	2021-22	2022-23	2023-24
Department of Infrastructure, Transport, Regional Development and Communications	500.0	500.0	-	-

Source: Budget Measures 2020-21 – Part 2 Payment Measures, p. 68.

Other infrastructure measures include \$2bn for the national water grid, and \$40.6m for the Sydney Harbour Federation Trust. There is a further \$75m this year for community development infrastructure projects, with three key projects announced in “significant” locations in South Australia and Queensland Budget measures 2020-21 – Part 2 Payment Measures: Community Development Grants, p. 126), investments in the National Water Grid and the Sydney Harbour Federation Trust.

Equity investments in Naval Infrastructure and the Australia Rail Track Corporation continue an emerging practice of infrastructure blackholes with equity investments under both measures listed as “not for publication” due to commercial sensitivities.

Gender implications

Why is this an issue for women?

Infrastructure spending is gendered. While there is no doubt women are beneficiaries from infrastructure spending through safer roads, they are secondary or consequential beneficiaries.

Employment stimulus impacts aside, safer roads benefit men the most as men are most at risk on Australian roads recording 7 out of every 10 road deaths.

Just 5 of the 36 announced projects cover public transport infrastructure. Infrastructure spending on public transport is more likely to benefit women as women are the highest users of public transport. Jobs in construction are men's jobs, with women making up around 12% of the construction workforce. While conditions have been imposed on the majority of the Commonwealth infrastructure funds to "use it or lose it", conditions such as investing in hospitals, schools or regional health centres and quotas for specific construction jobs for women would increase impact.

Minimum recruitment quotas for women in the road safety and construction programs would represent a more effective use of spending and create not only economic, but also social impact. The NSW Government has announced it will focus on social impact with its forthcoming state budget investment infrastructure.

The equity investment "black holes" are not the first time that significant amounts of taxpayer funds have been hidden from view. It is not clear why for either of these investments the amount cannot be disclosed, given the controversy surrounding the inland rail and the slim benefit:cost ratio.

The 2017-18 budget disclosed an \$8.4bn equity investment in the Australian Rail Track Corporation. For women, these black holes will likely support some jobs (again mostly for men given ship and rail building are male dominated workforces) but importantly they suck money away from other spending on public transport or social services spending without any transparency or accountability. Public transport benefits women as noted above. Social services spending benefits women. It provides pensions in their retirement, when the double whammy of child bearing and the gender pay gap manifests in limited superannuation, it provides housing support and aged care assistance (Kushi and McManus, 2018).

What are the 2020 Budget impacts on women?

The net impact of the infrastructure measures is negative. While investments in community development infrastructure, the Sydney Harbour Federation Trust and the Water Grid have benefits for women as users of community infrastructure and as residents in rural areas, the infrastructure investment doesn't deliver for women. It delivers jobs for men, not women, and safer roads for them to drive on.

Recommendations

1. Government should systematically consider gender budgeting when preparing infrastructure budgets, which means giving balanced attention to the policy role of social infrastructure investment.
2. The government should use its procurement power to derive benefits for all Australians from infrastructure investment, for example, by setting quotas for women's employment in individual construction projects.
3. Infrastructure investments should include a mix of road building with social housing and public transport to maximise social benefits.

4. Not for publication equity injections should be strictly limited to national security and strict commercial in confidence rules.

References

Kushi, S., McManus, I. Gender, crisis and the welfare state: Female labor market outcomes across OECD countries. *Comp Eur Polit* **16**, 434–463 (2018).