

MEDIA RELEASE

CCAA WELCOMES SA BUDGET BOOST FOR INFRASTRUCTURE

November 11, 2020

The peak body representing the heavy construction materials industry, Cement, Concrete & Aggregates Australia (CCAA), today welcomed the South Australian State Budget as another step in driving economic recovery through investment in construction.

The budget is headlined by a record \$16.7 billion in infrastructure spending over 4 years* including \$6.9 billion for roads. This represents a \$3.8 billion boost over the forward estimates.

Significantly, two billion dollars in State and Federal funding has been provisioned over the forward estimates for the final section of the North South Corridor, The River Torrens to Darlington section will be delivered in two stages, with construction to be completed by 2030. The Government has estimated the total cost for this final section at \$8.9 billion, subject to completion of a business case next year.

CCAA CEO Ken Slattery said the decision to build tunnels along the South Road corridor was a win for the community.

“The southern tunnels at approximately 4km long will be the longest tunnels in South Australian history. Together with the planned northern tunnel, airport link and surface motorways, the North South Corridor will be transformed into a 78 km non-stop freeway saving commuters time and money,” he said.

“From our perspective, it will also help deliver future infrastructure projects more cost effectively, as heavy construction materials can be delivered more quickly and safely.”

CCAA State Director Jason Kuchel said with the planned commencement of major construction still some years away, CCAA would continue to work with all stakeholders to keep the timeline on track to ensure continuous work for the State’s critical Infrastructure builders and heavy construction material suppliers, as other projects come to an end.

He also called on the Government to use concrete pavements on the final leg of the once-in-a-generation project.

“CCAA’s recently released [South Australian Policy Priorities Document](#) highlighting the life-cycle cost benefits of building roads in concrete,” Mr Kuchel said.

“This is an excellent opportunity to build the whole road out of concrete to ensure tunnel disruption in the future is minimised to the lowest possible level. It also fits with the Dept. of Infrastructure and Transport’s stated views that concrete is ideal for roads without services underneath.

“Just like the northern connector, concrete will prove to be the best choice for the Government as the asset owner, as well as for the motoring public.”

Mr Kuchel said CCAA would have liked to have seen additional monies for the further duplication of either the Dukes or Augusta Highways.

“These roadways have long been recognised as critical corridors for freight and tourism and CCAA will continue to advocate for an ongoing duplication program,” he said.

In yesterday's Budget Treasurer Rob Lucas also announced the introduction of a road user charge for electric vehicles, aimed at progressively replacing fuel excise to shore up funding for road infrastructure as the State transitions to electric vehicles.

"All governments are grappling with the cost of maintaining road infrastructure, compounded by the loss of fuel excise over time" Mr Kuchel said.

"While we broadly support a fairer system to pay for roads, it's worth noting that a transition to concrete roads can reduce road maintenance costs over time which could in turn minimise any new road user charge."

[Ends]

Media enquiries (Jason Kuchel):

jason.kuchel@ccaa.com.au

Mob.: 0448 848 848

* The \$16.7 billion infrastructure spend reflects a mix of stimulus-type projects and long-term infrastructure plans., including:

- \$6.9 billion for road infrastructure over 4 years
- \$2.2 billion in water infrastructure
- \$1.7 billion in health facilities
- \$1.3 billion in education infrastructure
- \$782 million in residential housing over 4years
- \$772 million in public transport over 4 years
- \$52.8 million will be dedicated to local infrastructure recovery plans in the Adelaide Hills and Kangaroo Island.
- \$100 million over 2020-21 will be spent on a local government infrastructure partnership program, which will provide grants of up to 50% for local governments for construction and upgrade projects.
- \$240 million hydrogen project, which is expected to be the largest green ammonia plant in the world.
- \$37 million will be dedicated to upgrading Port Bonython Jetty.