

30 January 2026

Finance and Public Administration References Committee

Via: webform

Dear Chair and Committee Members,

The Business Council of Australia (BCA) appreciates the opportunity to provide input into the Committee's inquiry into financial support for state and territory infrastructure projects. The BCA's membership includes companies across construction, materials, asset management, finance, freight and logistics, telecommunications and digital infrastructure, data centres and cloud computing, energy, and advisory and legal services.

Last year, the BCA released a reported titled 'Building Australia's Tomorrow', which examined several matters directly relevant to the inquiry's terms of reference, including:

- The need for continued investment in infrastructure to support national economic growth. State and territory government budgets can no longer sustain the level of infrastructure spending seen over the past decade. While the recent boom in public infrastructure investment tested the limits of industry's capacity to deliver, a significant decline in investment would also be detrimental. The Federal Government therefore has an essential role to play in supporting this ongoing investment in high-quality public infrastructure projects.
- The essential role of public infrastructure investment in lifting national productivity, and the importance of directing funding to projects supported by robust business cases that clearly demonstrate economic and productivity benefits. Given limited infrastructure budgets, funding projects that do not deliver proven net benefits risks crowding out projects that would.
- The importance of Federal Government funding being guided by clear strategic priorities that align with broader infrastructure planning. This does not imply competing plans between Federal and state/territory governments, but rather a coherent approach where Federal priorities align with state and territory strategies.
- The BCA's strong support for the continued central role of independent bodies, such as Infrastructure Australia, in advising the Federal Government on the quality and merit of business cases seeking Commonwealth funding.
- The opportunity for the private sector to contribute capital, expertise and experience to support governments in delivering infrastructure and improving service outcomes. Governments should evaluate private sector funding and financing options, including asset recycling, where appropriate. Public-private partnerships that support the service delivery by government agencies, while allowing agencies to focus on their core functions, should also be considered to drive more efficient operations.

- The opportunity to leverage offsite manufacturing and prefabrication in infrastructure projects where appropriate. These approaches can improve quality and concurrent production of building elements in a factory environment. Regulatory and policy obstacles – such as the application of building-sector requirements to offsite manufacturing obstacles – should be addressed. For example, requirements relating to Federal Safety Commissioner accreditation for Commonwealth-funded projects, and credit security requirements for projects under the Housing Australia Future Fund, should be reviewed to ensure they are appropriate for modular delivery methods.
- In light of the well documented unlawful actions of the CFMEU across multiple states, the BCA supports the reinstatement of the Code for the Tendering and Performance of Building Work for government-funded projects. This should include provisions addressing prohibited agreement content and industrial practices, penalties for unlawful picketing and unprotected industrial action, safety and drug and alcohol testing requirements, and protections for freedom of association.

To assist the Committee’s deliberations, a copy of the Building Australia’s Tomorrow report is attached, which provides further detail on these matters.

Yours sincerely



Bran Black
Chief Executive
Business Council of Australia