



Victorian Premier Daniel Andrews open to debate on increasing state's debt to pay for infrastructure projects

By Alison Savage

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Victoria's Premier has not ruled out increasing the state's debt to pay for major infrastructure projects, but has vowed not to risk the AAA-rated economy.

Daniel Andrews made the comments in an interview marking 100 days since he was sworn in as Premier.

Mr Andrews said the Government's infrastructure priorities, including the Melbourne Metro rail project and the removal of 50 level crossings, would be developed as quickly as possible.

The previous state government ruled out borrowing to pay for infrastructure, instead promising to only pay for projects through the budget surplus.

Mr Andrews said it was time to have a debate about how infrastructure was funded.

"Hopefully this can be beyond the political contest," he said.

"Hopefully we can elevate this debate about what to build, the order to build it in, how to fund it, how to finance it and indeed a more mature discussion about how we pay for these things over time."

But he said he would not borrow money if it put the state's economy at risk.

"Always running a surplus budget, always making sure we do nothing to put at risk our AAA credit rating," he said.

"I hope we send a message to all Victorians that this is a modern Labor Government."

Debate welcomed by Committee for Melbourne

The change in approach was welcomed by Committee for Melbourne chief executive Kate Roffey.

She said it was "courageous" for the Premier to raise the issue and debt should not be considered a dirty word when there are long-term payoffs.

"We need to get this economy going and that means infrastructure building is one of the few short-term economic levers we've got to pull," she said.

"So borrowing against what is a very strong AAA rating that we've got here is the way we need to move forward."

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