



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE

PROOF

MOTIONS

Infrastructure

SPEECH

Thursday, 15 October 2015

BY AUTHORITY OF THE SENATE

SPEECH

<p>Date Thursday, 15 October 2015 Page 85 Questioner Speaker Fawcett, Sen David</p>	<p>Source Senate Proof Yes Responder Question No.</p>
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Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (16:51): I would like to canvass three things in my brief contribution to the debate on this motion about public sector infrastructure spending—and this is an important discussion about infrastructure in our nation. I would like to revisit the quote that Mark Twain attributed to Benjamin Disraeli about 'lies, damned lies and statistics', just to correct the record on a few things that the honourable senator opposite said in her contribution. I would like to talk about some of the facts about funding and particularly touch on a few projects in South Australia, my home state. She is correct: Mr Albanese did come out, draw on the June 2013 quarter figures and compare those to show a 20.1 per cent decrease. But that was very selective, because if you actually look at the overall funding—particularly if you compare the September quarter, the last quarter of the Labor government, with the latest quarter results for this government—there is actually a 4.7 per cent increase in transport infrastructure work done for the public sector and a 14½ per cent increase in roads, highways and bridges done for the public sector. Almost anyone with enough diligence can cherry-pick two specific periods, compare them and say, like Chicken Little, 'The sky's falling in; funding has decreased,' but you need to look at the overall allocation of funding and particularly at the trends of those last quarters, rather than specific quarters plucked to highlight that difference. Prime Minister Disraeli was correct indeed when he said that there are lies, damned lies and statistics. Statistics can be manipulated, and I think it is to the shame of members on that side of the chamber that they would resort to misleading the Australian public by that approach.

In fact, according to the Bureau of Infrastructure, Transport and Regional Economics, if you look at what the coalition government has done, it has had an 18.6 per cent increase, to \$27.4 billion, in engineering construction work compared to the previous quarter; a 6.9 per cent increase, to \$6.1 billion, in transport infrastructure work done; and a 12.4 per cent increase, to \$6.6 billion, for engineering construction work done for the public sector. So, across a range of sectors over time, we see that there is actually an increase. That is why the coalition government can rightly say we are investing a record \$50 billion to get vital infrastructure projects underway across the country.

You can look all around this country, and in different states, particularly where there are projects of national significance, you see the federal government not only contributing money but looking to encourage the states to find innovative ways to raise the capital to invest in their own productive capacity so that the states and the states' economies can grow. In my own state of South Australia, some \$2.9 billion has been allocated by this government to infrastructure projects. The North-South Corridor is one that is well known, and just recently the Northern Connector was announced in South Australia.

As well as those major projects, it is important to realise that there is additional funding on top of the normal allocation: some \$200 million for the Black Spot Program. In South Australia that is a particularly important program because the state government is not providing the funding that is required for our country roads. Accidents on country roads account for 70 per cent of the fatalities in South Australia. If you look at fatalities per 100,000 for the east coast states, the figure is 4.2 in Victoria, 4.5 in New South Wales and 4.8 in Queensland. It is 6.4 in South Australia. So, if South Australia even just funded its roads to bring us back to the national average, that is 30 lives that we would save and 250-odd serious injuries that we would prevent every year. So that federal government money to top up and encourage the rectification of some of those black spots is really important. There is some \$350 million for the Roads to Recovery program and \$230 million for the National Highway Upgrade program for safety and productivity improvements.

In addition to that, in June this year the Australian government announced that councils across Australia will receive an extra \$1.1 billion over the next two years under the Roads to Recovery program, and that follows the reintroduction of the consumer price index linkage for fuel excise. It is important there to realise that there is a funding source that the government has created specifically to address infrastructure, as opposed to just increasing borrowings, which ultimately the taxpayer has to pay for, plus the interest.

So this is a government that is serious about making contributions to infrastructure, but we are also serious about getting the funding right. We should never forget that much of what Labor promised when it was in government and what it called funding commitments actually lay outside the forward estimates. If it is outside the forward estimates then it is not real money. It is not actually included in any of the calculations for the budget, in terms of whether we are going to be in surplus or not or whether we are contributing to a future deficit. Much of the promise relied on a mining tax—a mining tax that did not raise revenue and in fact cost the nation money. So, when you see promises from the other side, the public must also look at whether they are actually funded, because we have seen a lot of promises and a lot of disappointment, compared to this side, which has actually funded projects and started projects and has put in place appropriate mechanisms to make sure that that funding is available.

There are things like the \$5 billion financing facility for infrastructure projects in northern Australia; concessional loan arrangements for WestConnex; grants for projects that will not have a direct financial return for an investor; plans for trialling new road pricing arrangements on things like the Northern Connector in South Australia or the Perth Freight Link; and, importantly—and this is something we have been encouraging state governments to get on board with—the Asset Recycling Initiative, which provides grants to states and territories that make further investment in infrastructure with funding they receive from asset sales. So this is a government that is serious about finding the funding so that we can not just promise but actually start delivering.

There has also been a lot of comment by members opposite that this government is opposed to rail projects, which is clearly not correct. Just recently we saw the announcement of the commitment to capped funding of \$95 million to stage 2 of the Gold Coast Light Rail. The reason for that is its significance to the success of the 2018 Commonwealth Games. As I look to rail projects in my home state of South Australia, the electrification of the Adelaide-Gawler railway line has been raised a number of times, the implication being that that project has stopped because of this government. History is really important. If we do not understand history and the sequence of time frames and decisions then we will be misled. I would like to remind members of the Senate and the public who may be listening to the debate about some of the time frames. The Gawler modernisation project was announced in 2009 with a federal Labor government commitment of \$293 million, which included the full electrification and resleepering of the line. The overall project started to blow out and the South Australian government threw an extra \$100.2 million into it in their 2011-2012 budget. But in June 2012 works were ceased by the South Australian government. Who was in government at the time? Not the coalition. Works were ceased due to a lack of funding by the South Australian government in June 2012.

Since this government has come to power, we have made massive investments in infrastructure projects—\$2.9 billion in South Australia. We have invested in rail, as on the Gold Coast. If the South Australian government wants to come back to the federal government and make a case to show why that project is a priority for them and why it is of national significance and we should be supporting it, I will be very happy to work with them. But senators opposite should not be trying to mislead the Australian public into thinking that that project stopped because of this government. It stopped in June 2012.

Former Prime Minister Abbott declared that he wanted to be the infrastructure Prime Minister. When you look at the facts, history shows that record investment has been made, and not just record investment but sound management to make sure that the funding is available so that these projects are not just promised in the out years where there is no real commitment but are actually funded and work is starting. We have seen that in our home state of South Australia, where the North-South Corridor and the Northern Connector are either working, soon to commence or, for the Northern Connector, will start next year.

This motion touches on an important topic, but I think it is important that people listening understand the facts. The facts are that this government has made record contributions on infrastructure and the amount of contributions are increasing.