



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Federation Chamber

BILLS

Appropriation Bill (No. 1) 2012-2013

Consideration in Detail

SPEECH

Wednesday, 30 May 2012

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Date Wednesday, 30 May 2012
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Questioner
Speaker Truss, Warren, MP

Source House
Proof No
Responder
Question No.

Mr TRUSS (Wide Bay—Leader of The Nationals) (16:27): The minister, in his opening remarks, spoke about the amount being allocated for road expenditure in the budget, but, according to table 15 on page 6-43 of Budget Paper No. 1, in the 2012-13 budget the estimated expenditure on roads will be just \$2.67 billion. That is a drop of \$3.62 billion, or 58 per cent, from the previous year. This is a lower expenditure on roads than in the last Howard government budget, and as a proportion of GDP it is lower than in 2004-05, when the coalition government introduced Auslink for the first time. What is perhaps even worse is that in 2015-16, the last year in the forward estimates, the amount proposed for roads is only \$2.7 billion. That is still less than provided in the last Howard budget before the election of the Labor government. So, in spite of all we hear about this government and its grand projects, this year and in 2015-16 there will be less money provided than was in the last Howard budget. So I ask the minister: is the \$2.7 billion being provided in the forward estimates for 2015-16 all that the government proposes to spend on roads in 2015-16, or are there amounts somewhere in the contingency reserve to ensure that there is some kind of decent allocation for roads that far out?

My second question relates to the carbon tax and its impact on road construction. It has been estimated that it will cost \$400 million extra to build the roads on the government's program as a result of the carbon tax. Has the government provided an extra \$400 million to enable these projects to be completed, or are we in fact going to get fewer roads constructed than the government had committed?

Naturally, because of the fact that expenditure has been reduced so much, every state will see a significant reduction in its road-funding budget this year. The centrepiece of the budget, as the minister said, was an alleged \$3.6 billion commitment to the Pacific Highway. However, there is actually only \$2.7 billion in the budget. The remaining \$900 million is presumably for some year beyond 2016, which guarantees, of course, that the government's commitment to have it all done by 2016 will not even be honoured under its own formula. I note that the government is proposing that this should be done on a fifty-fifty basis. I ask the minister: why was it appropriate, when the last Labor state government was in power, for the split to be something like 86 per cent to 14 per cent? The Commonwealth met 86 per cent of the cost of projects when there were Labor governments at both the federal level and the New South Wales state level and the state met only 14 per cent. Indeed, it only got to 80-20 because the O'Farrell government put in \$468 million after they were elected to bring it up to 80-20.

When the Labor Party was in power in New South Wales, an 86-14 split was considered appropriate, but now the government is demanding 50-50. I ask the minister: if in fact the New South Wales government says that what was good for Labor in New South Wales ought to be good for the coalition and therefore refuses to meet 50 per cent of the cost, will the government withdraw its \$3.6 billion or will it ensure that that money is spent on the Pacific Highway without this draconian condition?

Moving to Queensland, another state where there have been significant reductions, I refer to the Cooroy to Curra project. There has been no money announced in the budget for any new work to be done right out to 2015-16. I note, however, that the government has said that the cost of the existing project, which will finish in a few weeks time, is now only \$388 million, whereas in previous years it has been put down at \$488 million. I ask the minister: does this confirm that the amount the government has taken away from the Cooroy to Curra stage B project in the last federal budget was in fact \$100 million? Ever since the last budget, he has refused to answer questions on notice or questions in Senate estimates on that issue. I assume we can now take it for granted that the amount taken away in the last budget was \$100 million.