



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

BILLS

**Asset Recycling Fund Bill 2014, Asset Recycling
Fund (Consequential Amendments) Bill 2014**

Second Reading

SPEECH

Wednesday, 18 June 2014

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Questioner
Speaker Neumann, Shayne, MP

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Mr NEUMANN (Blair) (18:28): I am speaking in relation to the two bills before the chamber: the Asset Recycling Fund Bill 2014 and the Asset Recycling Fund (Consequential Amendments) Bill 2014, which would create the Asset Recycling Fund, the ARF. This would provide financial assistance and incentives to the states and territories to invest in infrastructure. It is the result of a national partnership agreement reached by the first ministers of the states and territories on 2 May this year.

The bill proposes that the Commonwealth provide states and territories, which privatise their assets and recycle the proceeds into new productive infrastructure, an additional 15 per cent of the reinvested sale proceeds to the cost of new infrastructure. It must be remembered that there is no new money here. It does not contain any new funding at all. In fact, it puts aside a bucket of money—\$2.4 billion of uncommitted funds from the Building Australia Fund and \$3.5 billion of uncommitted funds from the Education Investment Fund. In listening to speaker after speaker from the coalition, you would think that billions and billions of dollars in new money was being rolled out in this fund, but it is just a recycling of federal government funds which we created when we were in government.

The government said they intend to make further contributions to the Asset Recycling Fund from the privatisation of Medibank Private and other privatisations, unnamed. We created the Building Australia Fund, the BAF, and the Education Investment Fund, the EIF, to fund land transport and education infrastructure respectively, and those funds were doing precisely that. The proposed ARF has similar governance provisions to those of the BAF and the EIF, as managed by the Future Fund.

We do not believe these bills in their current form adequately maintain the governance standards that we introduced for the BAF and the EIF. The shadow minister, the member for Grayndler, has circulated proposed amendments that relate to governance standards, with proper cost-benefit analysis published by Infrastructure Australia and a disallowable instrument requirement for the Treasurer so that greater parliamentary oversight is a precondition of payment of Commonwealth government funds.

Concerns about this legislation were raised in the Senate Finance and Public Administration Committee inquiry by the Australian Technology Network of universities: Curtin University, University of South Australia, RMIT University, the University of Technology Sydney and Queensland University of Technology. They teach about a quarter of a million students in higher education campuses around the country. They looked at this legislation and expressed some concern about it and about the winding up of the BAF and the EIF, especially as 59 per cent of the initial funding for the ARF comes from the Education Investment Fund, which those universities have benefited from in the past. We know that higher education is going to be more expensive under this government. The ATN asked: if the purpose of the ARF closely aligns to the purpose of the Building Australia Fund, without proper public transport spending, what protection will there be for future higher education research and education related infrastructure spend? There was no response from the government to that.

I recall a coalition policy at the last election—a so-called five-pillar economy—about research in higher education and world-class education. What they are doing here is taking away money from those areas. But that is to be expected from a government that does not even have a science minister. And anything to do with climate change or research or innovation or creativity seems to get abolished. If it is a body, organisation or group that is doing some public service, some social and economic good, and it has any of those terms in it, it was abolished in MYEFO or indeed in the budget. These bills are silent in relation to future research and education related infrastructure spending. It is typical.

We heard those opposite criticise us about infrastructure. We have a proud record with respect to infrastructure. I can recall many occasions in the last six years, in the time I have been in this place, where coalition members voted again and again against infrastructure spends, whether it was the necessary funds for recovery after the floods in South-East Queensland and the cyclones in North Queensland or the nation-building response we had

to undertake as a result of the global financial crisis—which those opposite think is a myth, a bit like the Loch Ness monster. We had to spend that money to keep 250,000 people in jobs and to keep the economy going and avoid recession. Again and again we put forward bills in this place in relation to an infrastructure spend to keep jobs in place, to help rural and regional areas and urban areas with rail, transport, infrastructure for councils and regional and local community infrastructure funding. We proposed the nation-building economic stimulus, with the BER. In the last six years in this place, those opposite, who were critical of us in government, voted against all those things.

When we came into power in November 2007 we massively increased the infrastructure spend. We were ranked 20th and by the time we left office we were ranked No. 1. In dollar spends we lifted infrastructure from \$132 to \$225 per Australian. For Queensland it was even better. We reversed the blockages on productivity and infrastructure the coalition government refused to address—ports, road, rail. They did not fund an urban rail project north of the Tweed; there was nothing in Queensland. When we were in government we spent more money on urban transport than was spent by every government in the history of the Commonwealth of Australia. We saw it as a priority to get people to commute to their places of work by public transport rather than by car. It is good for the economy and it is good for the environment. We doubled road funding to \$46.5 billion. We upgraded 7,500 kilometres of local roads. We increased grants to local governments through Roads to Recovery by 20 per cent. In my area, Ipswich City Council got \$6.5 million in Roads to Recovery grants—more than they had ever seen before.

It was not just that. As I said, we committed \$13.6 billion to urban rail infrastructure. We saw that as a priority. We invested heavily in the national rail freight network—some \$3.4 billion over six years. We rebuilt more than a third of the whole network. We are talking about more than 4,000 kilometres of track. We invested \$64 billion in infrastructure and we committed tens of billions of dollars to further nation-building if we were re-elected. We also faced the terrible disasters that I referred to not just in Queensland but in Victoria and other states, including the fires and floods in Western Australia. We addressed those issues. We ended the utterly shameful pork-barrelling that those opposite undertook. The ANAO report on regional ports was quite damning of the Howard government.

We started investing in regional and rural communities. We set up Infrastructure Australia to get rid of inefficiency and increase efficiency in the economy, and we put a priority on jobs and productivity. The Abbott government have ignored my electorate since they have been in power. The Abbott government never talk about the last section of the Ipswich Motorway, and the Howard government refused to build it. The Ipswich Motorway was the most important road project west of Brisbane. We spent \$3 billion to upgrade from Dinmore to Darra. Up to 100,000 vehicles a day can travel on that road at the most congested times. We are talking about 100,000 vehicles a day potential. What did we do? It was planned, designed, built and opened under a Labor government. It was not just about turning up for a photo opportunity—it was done. You can drive on it any day of the week. It is important. The service roads took 25 per cent of the traffic off the Ipswich Motorway. When the coalition voted against the Ipswich Motorway project west of Ipswich, the Blacksoil Interchange, we funded it. We partnered with the then state Labor government and that project, the Ipswich Motorway, created and sustained up to 10,000 jobs during the global financial crisis. There were 300 jobs created and sustained on the building the Blacksoil Interchange—\$54 million there. To the credit of the LNP state government in Queensland, they have come to the party and that project will be opened later this year. That is critical for the 40,000 vehicles a day and the commuters in rural and regional areas not just in Ipswich and Brisbane but in Toowoomba, the Lockyer Valley and the Scenic Rim and Somerset regions. We, under a Labor government, did what the coalition government refused to do.

My concern is that this 15 per cent—it will not be 75 per cent; it will not be 50 per cent—will be the basis of Commonwealth government infrastructure contributions in the future. That is what I expect will happen. This government has abandoned whole areas. The Prime Minister is very good at saying that he is the Prime Minister for this and that. For example, he is the Prime Minister for women, but he has very few women on the front bench over there; he is the Prime Minister for Indigenous affairs, but he will cut \$534.4 million in programmatic funding for health, education, justice and other programs for Aboriginal and Torres Strait Islander people; and he is the infrastructure Prime Minister, but he cuts rail projects, like the Brisbane Cross River Rail project in Queensland and the rail link in Victoria. The government see that as a state responsibility. They keep rolling out projects such as the inland rail freight project, saying they are their projects. We were funding them. They are a continuation of what we were doing. There are no new dollars in this bill. It is a fake and a fraud. They are claiming projects that are being built but that the Labor government designed, budgeted for and funded.

This legislation is really about a right-wing privatisation binge typical of coalition governments. We see that in Queensland, my home state. We have seen the most despicable, disgraceful propaganda by the LNP and Campbell Newman on a \$33 billion privatisation binge they are about to undertake. It did not do Anna Bligh and the Labor government much good when they tried to privatise assets in Queensland, so I do not think it will do Campbell Newman and the LNP government much good when they go to the polls by March next year. The consultation was not genuine at all. It was bogus; a predetermined consultation process. The majority of Queenslanders by the public response, even on the dummy website, the bogus website, opposed it. A recent poll found that 47 per cent of respondents would be less likely to vote for the Queensland LNP government if they continued their drive towards privatisation of state assets. They spent \$6 million of Queensland taxpayers' money on an elaborate consultation program that was called Stronger Choices, and it was a flop. The people did not want it. They did not want to privatise assets, but the LNP decided to do it anyway. Organisationally, if the LNP in Queensland had any integrity, it would front up with a cheque for the taxpayers of Queensland from their own campaign coffers and put it back into consolidated revenue.

This was an LNP propaganda campaign with a fancy website and incessant ads. When I was travelling around the country, I found the ads everywhere interstate. As a shadow minister, I was travelling in different states and would see the ads on TV channels. They were not even directed solely to Queensland. There were fliers in the mail. We even saw information kiosks in my electorate at the Riverlink Shopping Centre in North Ipswich which referred to a so-called \$80 billion debt and annual interest costs—it was untrue. It was simply misleading and an overtly political campaign. It was completely misleading. The budget papers in the Queensland government reveal that the gross debt under Campbell Newman has increased by \$14.6 billion—or \$833,000 per hour under the state LNP government.

In my electorate, in Ipswich, unemployment has gone up from 5.3 per cent to 12.3 per cent under Campbell Newman. So much for asset recycling. They privatised by stealth. They did not tell the people that they were going to undertake privatisation. There are organisations and bodies in Queensland that have been privatised repeatedly, but the government has undertaken these big campaigns to privatise the big stuff, such as the big energy companies.

There is \$33 billion on the table. The people do not want this legislation. There are amendments that need to be considered, and the shadow minister will put them. This bill has real flaws. The whole privatisation commitment of this government is about an ideological right-wing, free-marketeer, buccaneering system. It will not be copped by the public in Australia. If the Queensland government thinks it can get away with that, wait until March next year and we will see how they go.