



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES
MATTERS OF PUBLIC IMPORTANCE

Pacific Highway

SPEECH

Tuesday, 19 June 2012

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Tuesday, 19 June 2012
Page 7002
Questioner
Speaker Truss, Warren, MP

Source House
Proof No
Responder
Question No.

Mr TRUSS (Wide Bay—Leader of The Nationals) (15:41): The Pacific Highway is a major national priority. It is vital that this road be upgraded, and be upgraded as quickly as possible. It carries a large volume of traffic. There are many accidents on the road. There have been many tragedies and much heartbreak. That is why I grieve at the fact that the government is now seeking to turn the construction of this road into some kind of political barney. Instead of putting their shoulders to the wheel they are turning this into a political stunt. They are changing the rules midstream about funding levels and then trying to, somehow or other, blame the New South Wales state government.

The Prime Minister promised the member for Lyne that this road would be duplicated by 2016. I guess that should have been an early marker that the deadline would never be met, because this Prime Minister never honours her word—we are only 12 days away from the carbon tax that we were never going to have. I might add that this is a carbon tax which is going to make the construction of the Pacific Highway more expensive. It will be more difficult to achieve the objective because the cost of building the road will be significantly higher than it would have been without a carbon tax.

The member for Lyne acknowledged quite some time ago that this target was not going to be met—that there was insufficient funding available. He asked questions of the Prime Minister. The Prime Minister seemed to walk away from the issue and said that the target was still going to be met. But in reality, all along the government knew that it did not have sufficient funding on the table to be able to make this achievable.

We have just heard the Minister for Infrastructure and Transport say, as he has often said, that he was upset when the New South Wales Labor government started withdrawing funding from the Pacific Highway. Let's make this absolutely clear: the goal of reaching this target by 2016 died when the previous Labor state government in New South Wales started to withdraw funding from the project. It actually cut the funding. Indeed it is true that Mr Albanese, in a letter that he tabled yesterday, criticised the New South Wales Labor government for taking \$300 million off the Pacific Highway so that the state government would only be providing \$500 million over the period of the memorandum of understanding. He said that he took \$48 million from them as a penalty for that. But that is not true. I pointed this out to the minister in this House once before. Reading from his own letter, it is quite clear that the \$48 million was withdrawn from the New South Wales government because they had not signed the MOU on time. It had nothing to do with the amount of money in it; they had not signed the MOU on time. So he was taking the \$48 million bonus that was available for early signature away from New South Wales.

But do you know how long this penalty lasted? For two paragraphs in the same letter. In paragraph 2 of the letter, he said he was taking the \$48 million away. In the same letter, in paragraph 4, he said:

... I have taken a decision to direct an additional \$48 million to provide for further duplication works on the Pacific Highway ...

So he took it away, and two paragraphs later he gave it back to New South Wales. That is how angry he was with Labor in New South Wales for reducing their funding for the Pacific Highway.

Mr Oakeshott: Table it—table it with the signature.

Mr TRUSS: The honourable member for Lyne said that there is no agreement around which involves an 80-20 split. That is actually technically correct, because the agreement under the memorandum of understanding has an 83-17 split—\$2,541 million—

Mr Oakeshott: Table it, please.

Mr TRUSS: coming from the federal government and \$500 million coming from the state government. That is 83 per cent to 17 per cent.

As the time wore on, there were some more agreements. In March 2009, the Commonwealth added another \$48 million, which you have just heard about.

Mr Oakeshott: Mr Deputy Speaker, I rise on a point of order. In desperation, I ask the Leader of the National Party to table the document he is referring to.

The DEPUTY SPEAKER (Mr KJ Thomson): That is a matter for the Leader of the National Party.

Mr TRUSS: I am going to read the numbers, so you will not need them to be tabled. There was \$48 million provided, 100 per cent from the Commonwealth and nought from the New South Wales Labor government. In May 2009, the Commonwealth provided another \$618 million for the Kempsey bypass—nought coming from the New South Wales Labor government. By that stage the split had got to 86 per cent from the federal government and only 14 per cent from New South Wales—an 86-14 split. Then there was a new national partnership agreement which incorporated these new figures, and it was signed by Minister Albanese, Minister Campbell and Minister Daley—all Labor ministers. They signed up to an 86-14 split.

So every single project on the Pacific Highway when Labor was in government federally and when Labor was in government in New South Wales was on a split of at least 83-17, and in some cases 100-0. And yet the member for Lyne is in here defending this and trying to blame others. The numbers, 86 per cent, 87 per cent, clearly demonstrate that Labor had in fact changed the formula and was intending that there be an 80-20 split on this road.

If you want any further evidence of this, just look at the nation building document released in May 2009, where the government proudly announced the new N1, which for the first time included the Pacific Highway. Prior to then, the Pacific Highway was not a part of highway 1 network. So the funding had been fifty-fifty. Minister Albanese says that the previous government did not spend as much money on the Pacific Highway as the current Labor government. That is true, because the funding share was different at that time. But I could just as easily say that the Howard coalition government spent infinitely more on the Pacific Highway than did the Keating and Hawke governments. The reality is that time has moved on. We were the first to contribute significantly to the Pacific Highway. The current government, to its credit, has continued that, and the next coalition government will do even better. We will make sure that this project is completed.

So the reality is that Labor changed the rules. Every single piece of funding while there was a Labor government in New South Wales was based on at least an 83 per cent to 17 per cent split. It was not until the election of the O'Farrell government that that changed. In May and September 2001 the O'Farrell government committed \$468 million extra to the Pacific Highway, and that brought it to an 80-20 split. So was it any wonder that the New South Wales coalition government, when it was seeking election, was making promises on commitments for funding on the basis of an 80-20 split? That had applied to other sections of highway 1 and it applies to other projects in New South Wales. And so this was the arrangement that was in place.

Mr Oakeshott: Table it!

Mr TRUSS: New South Wales was making funding available on the basis of the agreements that were in place at that stage—a signed MOU, Member for Lyne. There was therefore every reason to believe that that was indeed the funding arrangement.

Mr Oakeshott: Mr Deputy Speaker, I rise on a point of order. In further desperation, I ask the Leader of the National Party to table this mythical memorandum of understanding.

The DEPUTY SPEAKER: There is no point of order. These things are a matter for the Leader of the National Party.

Mr TRUSS: The reality is that we listened to the member for Lyne in silence but he chooses to interrupt everyone else. I think that is a recognition of the fact that he knows that his argument is threadbare. He has become too politically connected to the government to actually see the facts, and that is a real concern to me—that a man who purports to be independent will not actually look at the issues as they really are and make sure that the facts are told as they should be.

Another letter, which the minister tabled yesterday, is from David Campbell, the then Minister for Transport, to him in December 2009. Towards the end of the letter the Labor government says:

Subject to your agreement to the above course of action, I will undertake to seek confirmation of a 20% NSW government commitment to the additional funding required—

for the road. So there is not the slightest doubt that when there was a Labor state government in New South Wales the federal Labor government intended to provide 80 per cent of the funding and the state was only going to be asked for 20 per cent. They have changed the rules now that there has been a change of government and because the federal government itself has reduced its funding commitments.

In the document that they presented in May 2009 they said there would be over \$4 billion of funding in 2012-13. We know that that is now only just over \$2.6 billion. For the following year there was to be \$5 billion, and they have slashed that amount of funding as well. Labor has cut its funding for roads and the Pacific Highway is suffering, and they are now trying to blame the New South Wales state Liberal government. *(Time expired)*