

# ADDRESS TO PARLIAMENT ANNUAL INFRASTRUCTURE STATEMENT AND THE AUSTRALIAN GOVERNMENT'S RESPONSE TO THE AUSTRALIAN INFRASTRUCTURE PLAN

24 November 2016  
Prime Minister  
E&OE

Prime Minister: Mr Speaker, infrastructure is so much more than concrete, bricks and mortar, roads and train lines, housing and hospitals, schools and sporting grounds.

Good infrastructure brings communities together, makes our towns and cities more liveable, links business large and small with markets, widens the range of jobs and opportunities, makes housing more available and affordable.

If Australia is to ride the wave of opportunity that the 21st century offers, we need better infrastructure.

Over the last decade our nation's economic growth has been turbocharged by higher resource prices and unprecedented levels of mining and resources investment.

Key to continuing strong economic growth is the infrastructure that enables innovation, that enhances connectivity and expands our ability to sell the food and fibre for the big Asian markets opened up by our free trade deals.

Good infrastructure is vitally important too for our growing tourism sector - the easier it is for visitors to move around our country, the easier it is for tourism operators to communicate to their potential markets.

The more liveable and the greater amenity there is in our cities, the stronger the attraction is to Australia for the rapidly growing number of overseas visitors.

All of this is why the Government has increased infrastructure investment to a record \$80 billion to get vital projects underway across the country.

That includes \$50 billion for transport infrastructure and \$30 billion for other infrastructure like the National Broadband Network, water infrastructure, regional grants programs and other major project financing.

But money alone is not the answer.

We need to get better at planning and building the infrastructure and to do that we have to work together - all governments, industry, stakeholders, consumers, citizens.

And we must take a much longer view, rather than the short term one driven of course by election cycles.

So today I am updating the House and the Australian people on the progress we are making in delivering the infrastructure they need, and to outline my Government's response to Infrastructure Australia's landmark, 15-year infrastructure plan.

This plan is the first independent assessment of Australia's long term infrastructure needs. It sets out priorities and recommendations to increase productivity and support economic growth.

The plan will guide the Commonwealth Government's key infrastructure policy directions.

Today, Mr Speaker, I commit my Government to five key initiatives:

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- We will agree urban rail plans with willing state governments for our five biggest cities - the mainland state capitals - that will inform our future investment priorities.
- We will continue reforms to heavy vehicle user charging.
- We will appoint an eminent Australian to lead extensive community consultation on the costs and benefits of road pricing for all vehicles.
- We will develop a strategy to increase the productivity and efficiency of Australia's freight supply chain.
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- And we will collect and publicly release data on the performance of transport services, including freight and passenger services, so that we can target improvements to these essential elements in our infrastructure.

My Government is supporting 69 of Infrastructure Australia's 78 recommendations. We have made significant progress in addressing many of these.

We have committed funding towards 14 of the 15 projects on Infrastructure Australia's Priority List.

This Priority List will continue to inform a longer-term project pipeline, enabling the certainty that is so critical to attract more private investment in nationally significant public infrastructure.

Australia's thriving rural and regional communities and businesses rely on safe and efficient transport services.

These are vital for quality of life, to connect people to economic opportunity and allow them to access the benefits of the international trade agreements that our Government has brokered. In response to the Infrastructure Australia Plan, we will develop a strategy to increase the productivity and efficiency of Australia's freight supply chain.

This will identify a set of reforms and investments to ensure we have sufficient capacity to meet the growing demand for freight, and improve the efficiency of movements, both road and rail.

It includes creating the right settings for more private investment in the national network.

Mr Speaker we're spending \$5.6 billion completing the Pacific Highway duplication in New South Wales by 2020.

Around 70 per cent of the upgrade has been completed and once finished travel times will be decreased by two and a half hours, as will accidents and the injury and death that too often and so tragically accompanies them.

We have completed ten projects out of the 10-year, \$6.7 billion upgrade of the Bruce Highway in Queensland.

One region that will especially benefit from increased investment in infrastructure is Northern Australia.

This year we have announced successful projects from our \$600 million Northern Australia Roads Program while the \$100 million Northern Australia Beef Roads Program will help producers bring their beef and grain products to Asian markets.

The first stages of construction will start next year on the Melbourne to Brisbane inland rail which will allow freight to move between those two cities in under a day; remove 200,000 trucks from roads each year; and add \$22.5 billion to the Australian economy.

Mr Speaker, reforming the way that we pay for roads can help us provide better transport and a fairer, more efficient and more sustainable system of funding. Reforms for heavy vehicle charging are well underway in partnership with states and territories.

We have now committed to work with the states and territories and consult with communities to consider a more sustainable and equitable system of road pricing and funding for all vehicles, and we will appoint an eminent Australian to lead this task.

Governments and the community need to be comfortable that any new system of road pricing is fair and the benefits outweigh the costs before any change is made over the longer term. We will continue to invest in projects that ease congestion on our roads, improve commuter times and make our roads more efficient.

Our leadership has secured a \$3 billion injection in infrastructure in Victoria that includes a \$1 billion upgrade of the Monash Freeway, funding to complete the upgrade of the M80 Ring Road, and a further investment package to improve access and congestion in Melbourne's suburbs.

In Perth we are investing \$1.2 billion in the Perth Freight Link and more than \$900 million to upgrade Gateway North in Brisbane to improve access to the port and the airport.

And in Sydney, the NorthConnex project, expected to open in 2019, will result in a traffic-light free route between Melbourne and Newcastle.

Mr Speaker, it is not just about roads.

My Government is investing over \$4 billion in public transport to provide genuine alternatives for commuters, ease congestion and improve access in our cities and suburbs. But we are going further than funding individual projects.

Infrastructure Australia found that our largest cities need urgent investment in public transport to improve transport options in outer suburbs and increase rail capacity.

The Plan also calls for more higher density housing in these cities that is well connected by transport, at the same time as encouraging the growth of smaller cities where housing is more affordable and amenity high.

Rail can do this, but in order to best target Commonwealth support, we need better planning.

We will partner with willing state governments to agree urban rail plans for Australia's five largest cities and their surrounding regional centres.

The outcomes will inform our priorities for investment in major public transport projects.

Mr Speaker we want to support more projects that apply technological solutions and use data to improve infrastructure services and capacity. These are capable of delivering very big benefits at relatively low cost.

And I'd invite honourable Members to reflect on the relatively inexpensive and enhanced amenity that has been provided by transport authorities allowing the real time public transport data to be accessed by commuters on their smartphone.

The ability to know precisely when the next bus or train is arriving whether it is on time, or early or late, enhances amenity, enhances ridership and does so using technology at very little cost. Now we want to see more of that.

Our \$50 million Smart Cities and Suburbs Program encourages local government to partner with the private sector in using open data and technology to improve services, infrastructure and thus liveability.

When Government is asked to support new infrastructure, we need assurance that all options for more efficient use of networks have been exhausted, and that our investments are going to make a real improvement in services.

We will collect data from users, governments and the private sector and we will publish how well our transport services are performing, both passenger and freight, identifying where improvements are needed.

Mr Speaker, we cannot ignore the reality of budget constraints facing all levels of government.

The Commonwealth can no longer a passive ATM.

We have to get maximum value for every taxpayer dollar we invest and we must have a say in where and how Commonwealth taxpayers' funds are invested.

We will prioritise projects that can demonstrate they provide positive returns to taxpayers, improve the liveability of our communities and grow the economy.

We will be involved in the planning early.

The \$50 million announced in the Smart Cities Plan targets projects of national significance in early stages, including major public transport projects, to accelerate their development and delivery.

And we must create the right settings so we can better leverage private investment in public infrastructure.

The WestConnex project in Sydney is a good example. In addition to a \$1.5 billion grant, the Government is providing a \$2 billion concessional loan.

We have also taken an equity stake in key projects like Inland Rail and the Moorebank Intermodal freight precinct.

We have to explore all options, whether they involve concessional loans, user charging or value capture - in addition to grants.

I am establishing an Infrastructure Financing Unit in my portfolio, to make this standard practice across government.

The Unit will work with other departments; it will also work across state and local governments and with the private sector in developing the funding and financing solutions for landmark projects through the use of public private partnerships, measured use of the balance sheet and value capture.

We can also rein in the costs of public infrastructure and indeed housing, and ensure projects are delivered on time and on budget with measures to stamp out union lawlessness and thuggery.

The Registered Organisation legislation has now passed. I urge the Senate to pass the ABCC legislation and show its support for the industry that builds our nation's infrastructure.

Mr Speaker, liveable cities are one of our greatest economic assets.

I am determined to make the Commonwealth a more engaged partner in cities.

We want all our cities, not just our capitals, to be more liveable—better able to support our most precious and valuable resource, our people.

As set out in our Smart Cities Plan, we will coordinate with state and local governments to grow the economy and boost the productivity of our cities, with a focus on liveability and sustainability.

We are doing this through City Deals. We've committed to three so far: Western Sydney, Townsville and Launceston. Each City Deal will be unique, helping governments work together to stimulate growth and jobs.

We will sign City Deals for all capital cities where state and local governments will partner with us, in a plan for growth. We will announce a competitive process for regional cities early next year.

The Western Sydney City Deal—Australia's largest planning, investment and delivery partnership—underpins a smarter approach to investment in this region.

It will harness the enormous opportunities created by the Western Sydney Airport, deliver new jobs, more affordable housing, better transport and amenity.

The Western Sydney Airport is one of the most significant infrastructure projects in the region.

There has been significant progress in this project during our term, with the Environmental Impact Statement recently approved, placing a strict set of environmental conditions on the airport's construction and operation.

The Airport Plan will be approved soon - a significant step towards a Western Sydney Airport seeing its first passengers in the mid-2020s.

Construction work is well advanced on the \$3.6 billion Western Sydney Infrastructure Plan which will ensure excellent road connectivity when the airport opens.

And we are also working closely with the New South Wales Government to ensure the airport is well connected by rail.

Mr Speaker the National Broadband Network may well be the single biggest infrastructure project the Commonwealth has ever undertaken.

There are now more than 3.4 million homes and businesses that can access NBN services, and more than 1.5 million premises currently connected.

This project was failing when we inherited it in 2013 but with new management a new plan, it is now meeting and beating its targets and is on track to be complete by 2020.

Mr Speaker increasing the supply of affordable and secure water for regional Australia - for agriculture, industry and communities - is also a key priority.

And we are committing \$2.4 billion, the largest investment in new water supplies for generations. This coupled with the big market opportunities in Asia will drive stronger growth and more jobs across regional Australia.

Mr Speaker we are tackling climate change in a smart ways to transition to a low-emissions economy.

Our National Energy Productivity Plan will improve our energy productivity by 40 per cent by 2030.

But energy security is paramount – we must keep the lights on and provide affordable energy at the same time we cut emissions.

Our policies are working - we are on track to beat our 2020 emissions reduction target.

And we have ratified the Paris Climate Agreement and are also on track to meet our 2030 emission reduction targets under that Agreement.

So we have a big program of infrastructure commitments and reforms underway, with much more to come under the guidance of the independent, long-term vision provided by Infrastructure Australia's 15-year Plan.

My Government is changing infrastructure in Australia—the way we plan it, the way we fund it and the way we partner to build it.

Such reform is the only way to deliver the infrastructure that will best serve the modern Australian economy.

And it will enable us to leave our children and grandchildren the infrastructure they will need to succeed in this the 21st century.

But as Infrastructure Australia does makes clear, many of the reforms relate to responsibilities of state, territory and local governments.

So we will continue working with our state and territory colleagues—including at COAG—about how we can work together to deliver real change.

And the infrastructure ministers, Darren Chester, the Minister for Infrastructure; the Minister for Urban Infrastructure, Paul Fletcher; the Minister for Regional Development, Fiona Nash – all of them are working together with their state and territory colleagues.

The changes that will enable us to make the better decisions about infrastructure priorities investment. Changes that will encourage well-regulated infrastructure markets that focus on better service outcomes.

Our reforms will make infrastructure funding more sustainable in the long-term.

They will harness the innovation and technology to make it more efficient.

Infrastructure, Mr Speaker, stands alongside tax reform, living within our means, microeconomic reform and innovation in its importance to our future prosperity.

By working together, we will build a legacy of liveable, sustainable, productive cities and regions for future generations.