

Dissenting Report by Government Senators

1.1 Coalition Senators are of the view that this Inquiry was a poor use of the limited resources of the Senate considering that the licensing and construction of Toll Roads is exclusively within the purview of State Governments. Government Senators note that the majority report makes this very point at paragraph 2. The commercial decisions of State Governments to engage with Toll Road operators in order to augment their infrastructure spending is a valid and sensible response to growth in metropolitan populations, and to ensuing the enhanced transport needs of the populace.

1.2 Government Senators take the view that road and other surface transport solutions remain critical to the transport matrix in the cities and regions of Australia. There is no persuasive argument being put forward at this time to dissuade policy-makers away from surface transport solutions.

1.3 The Australian electorate expect to be able to get to and from work with relative ease and safety. At this time, road transport is the best way to deliver on these expectations.

1.4 The argument that roads are public assets and should therefore not attract user-based charges is redundant. Governments do not want to raise taxes, nor do they want to increase public debt. They do, however, want to provide excellent services and infrastructure for the community. Meeting the needs and expectations of the community sometimes requires a cost-recovery or user-pays model to be adopted.

1.5 Identifying urban infrastructure needs is an exacting science however locating the best form of financing for such infrastructure is often a more arcane endeavour. Government Senators caution strongly against any proposal to increase public debt to facilitate transport solutions when there are economically and socially viable alternatives, such as toll road arrangements, available.

1.6 Government Senators agree with the majority report at paragraph 2.24 that 'The logic of using tolls to fund road construction is reasonable.'

1.7 Government Senators are of the view that in most cases members of the public have the option of using the toll road or an alternative route and, as such, do not subscribe to the suggestion that toll roads create financial disadvantage. On the contrary, toll roads create options and provide the opportunity to make occasional decisions based on individual situations.

1.8 Government Senators acknowledge that economies of scale may result in metropolitan residents receiving a disproportionate level of access to publicly funded roads; however, programs under the Northern Australian development banner are addressing any perceived inequity between metropolitan and regional Australians in the infrastructure space.

1.9 Government Senators do not imagine that toll roads are intended for use for all residents at all times. It would be sensible to expect that people will exercise discretion regarding their use of toll roads in alignment with their needs and their

situation. Accruing a toll road debt is no different to an unpaid parking fine or other statutory remittance: getting into such a situation is inadvisable. Toll roads should only be used by persons who can afford to manage the costs of such use. Government Senators note that the principal operator of the toll roads, Transurban, have themselves established a Tolling Customer Ombudsman to assist people who find themselves in such situations. The impact of the cost of tolls on businesses would no doubt be offset by the reduction in task completion time, fuel costs, vehicle maintenance and driver fatigue that would be achieved by using high-quality toll roads.

1.10 Regarding the majority report's criticism of the WestConnex project at paragraph 6.9, Government Senators note that the report fails to recognise that the project has already been assessed by Infrastructure NSW and by Infrastructure Australia as delivering positive economic benefits—and the project is listed as a High Priority Project on IA's Infrastructure Priority List.

1.11 Government Senators disagree with recommendation 3 as they note that tolling is a state issue and any policy regarding the recoupment of unpaid tolls is a matter for state governments.

1.12 Government Senators disagree with recommendation 5 on the grounds that it is vague and ambiguous. Generic phrases like 'take account' and 'might constrain' makes the intent of this recommendation unclear. Such a broad and unclear recommendation adds little to the validity of the majority report.

1.13 Government Senators disagree with recommendation 6, because as signalled in the most recent federal Budget, and as the Prime Minister has said on multiple occasions, the Commonwealth will no longer be an ATM to the states for grant funding for infrastructure projects.

1.14 The Government is committed to using innovative funding and financing measures, where appropriate, to complement traditional approaches to providing grants to state and territory governments for infrastructure, particularly for roads and rail.

1.15 Government Senators also note that there is a significant grant component as part of our infrastructure commitment and this profile is largely dependent on the states and territories. The Government is being an active partner with state government on major infrastructure projects. This early involvement in the planning process will allow the Government to better plan and manage its forward infrastructure commitments

Senator Jane Hume
Deputy Chair

Senator the Hon Ian Macdonald
Senator for Queensland