

Additional Comments by Opposition Senators

1.1 As the Productivity Commission has noted, spending by Australian Governments on infrastructure has been over 2% of GDP consistently since 2008, after bottoming out at around 1% in 2003. Current levels of government investment have not been so significant since the 1980s.

1.2 Between 2008-9 and up to the current financial year, the Nation Building Program expended a record \$36 billion, with a strong focus on the nation's roads, rail and intermodal terminals.

1.3 Much of the Government's spending on economic infrastructure is framed by this Act.

1.4 The Bill as proposed does not represent ambitious change. It is more in the manner of a pedestrian re-arrangement and updating of certain aspects of the existing Act.

1.5 Labor supports continuing funding for the Roads to Recovery Program beyond mid-2014, and we expect that this program will be subject to rigour in terms of audits to ensure value-for-money and indeed that this funding adds to existing roads funding, rather than displaces funding available at the local level.

1.6 It is not proposed to oppose the other changes proposed, which include renaming the Act to take out the phrase "Nation Building", adding new types of eligible project and funding recipients, and repealing some spent Acts.

1.7 Labor is concerned that the renaming of the Program would incur additional costs – for instance in terms of signage – but the Minister has provided an assurance that this will not be the case. We question the reason for the renaming.

Amendments

1.8 Labor will be seeking to amend this Bill in two important respects.

Strengthened governance

1.9 Labor will move to strengthen governance around project selection by elevating the role of Infrastructure Australia in advising on project benefits.

1.10 Prior to approving individual projects under the Act, the Minister must have regard to the identified priorities and plans set by Infrastructure Australia, and any advice it produces relating to the type of project being considered for funding.

1.11 Further, for projects with a value of \$100 million or more, the Minister must obtain an evaluation of the project from Infrastructure Australia. This evaluation will include a cost-benefit analysis from Infrastructure Australia and an Infrastructure Australia view on the priority of the project against its identified national priorities.

1.12 This amendment makes the logical link between Infrastructure Australia's role to provide advice on infrastructure and national priorities, and the Minister's role to decide how to allocate scarce Commonwealth funds.

1.13 For projects that are funded, the Minister will be required to publish details of the project, and include Infrastructure Australia's evaluation and cost-benefit outcome.

1.14 The requirement to publish delivers transparency to the sector and the community at large around the merits of allocating taxpayer funds to projects.

1.15 Overall, this strengthened governance is precisely what all major stakeholders in the infrastructure sector have called for in the current Productivity Commission inquiry into Public Infrastructure, and in the recent Infrastructure Australia Senate inquiry.

1.16 It also aligns with the Government's election commitments on infrastructure, as elucidated in the *Coalition's Policy to Deliver the Infrastructure for the 21st Century*.

The Coalition fully supports Infrastructure Australia. We'll keep it and ensure it is properly funded.

Heavy Vehicle Safety and Productivity Program

1.17 The second amendment is to insert the Heavy Vehicle Safety and Productivity Program as a separate program for funding under the Act.

1.18 The Heavy Vehicle Safety and Productivity Program is an Australian initiative established under the Act in 2009 to improve safety and productivity outcomes of heavy vehicle operations across Australia. This program is the first Commonwealth dedicated program of its kind.

1.19 As the Department of Infrastructure and Regional Development says:

Heavy vehicles are involved in many serious accidents across Australia annually – 'during the 12 months to September 2011, 230 people died from 204 fatal crashes involving heavy vehicles or buses' and there is significant evidence linking such accidents with fatigue. Drivers are also required to comply with heavy vehicle driver fatigue-related legislation which ensures that regular and effective rest breaks are taken during long journeys.

The size of the heavy vehicle road freight task was 503 billion tonne kilometres in 2008, according to the National Transport Commission (NTC), and this is expected to reach 1,540 billion tonne kilometres by 2050. NTC argues that 'improved productivity is the key to reducing the effect of the growing freight task on road safety, the environment and the amenity of our communities'.

1.20 The first two rounds of the HVSP provided \$70 million in the period 2008-09 to 2011-12. In the 2012 and 2013 budgets Labor provided a further \$250 million to extend the program. This additional funding in 2013-4 brought spending on the total program to \$320 million and adds a further 58 projects to the 236 projects already

delivered including over 140 new or upgraded rest areas and 46 new or upgraded parking/decoupling bays.

1.21 Round Three project criteria included funding the States and Territories under these six categories:

- **Rest Area projects:** which improve the provision of heavy vehicle rest areas on key interstate routes;
- **Parking/Decoupling Bay projects:** which provide heavy vehicle parking/decoupling areas and facilities in outer urban/regional areas;
- **Technology Trial projects:** which include the trial technologies to improve heavy vehicle safety and/or productivity;
- **Road Enhancement projects:** which enhance the capacity and/or safety of roads (including bridges) to allow access by high productivity vehicles to more of the road network;
- **Demonstration projects:** which facilitate innovation to improve heavy vehicle safety and productivity projects; and
- **Livestock Transport Industry projects:** which improve heavy vehicle safety and productivity for specific livestock transport operations.

1.22 For heavy vehicle safety, this Program sits alongside spending on our national network including record Commonwealth spending on the Bruce Highway and Pacific Highway.

1.23 Heavy Vehicle Safety is also being addressed by the new Safe Rates Remuneration Tribunal. Established by the former Labor Government, it commenced operations in July 2012. The object of the Act is to promote safety and fairness in the road transport industry.

1.24 The Tribunal's role in this area primarily relates to addressing the relationship between remuneration and safety in the industry by, amongst other things:

- ensuring that road transport drivers do not have remuneration-related incentives to work in an unsafe manner; and
- removing remuneration-related incentives, pressures and practices that contribute to unsafe work practices.

1.25 The Coalition Government has flagged its intention to eliminate this tribunal, even before its first order comes into effect on May 1 this year. It has commissioned an inquiry into the Tribunal before it has had a chance to prove its worth as an additional tool to deliver road safety.

1.26 In describing the Tribunal as 'red tape', the Government prefers ideology over finding new ways to save lives on the road.

1.27 Labor does not support the Bill in its current form and will seek to amend it as above.

Senator Glenn Sterle
Deputy Chair