

# LABOR'S INFRASTRUCTURE POLICY



**WE'LL PUT PEOPLE FIRST**

**Labor**



## **CONTEXT**

During the term of the former Howard Liberal government, there was inadequate investment in infrastructure in Australia, leading to the accumulation of a significant infrastructure deficit. While investment increased significantly during Labor's period in office between 2007 and 2013, a decline in investment since 2013 means there is still much work to be done. With Australia needing to broaden its economic base as the investment stage of the mining boom declines, it is now critical that the Federal Government invests in the railways, roads, broadband and other pieces of infrastructure that will underpin the growth of new industries and boost the capacity of existing industries.

## **OUR RECORD**

Between 2007 and 2013 the former Labor Government delivered record infrastructure investment. It doubled the roads budget and built or repaired 4,000km of railway track around the nation. Per capita investment increased from \$132 to \$225. When Labor took office, Australia was 20th on a list of OECD nations ranking infrastructure investment as a proportion of GDP. When Labor left office, Australia was 1st.

Importantly, the Labor Government also created Infrastructure Australia – an independent body which assesses proposed infrastructure projects and advises the Government on which projects have the greatest capacity to lift national productivity.

## **THE LIBERALS' RECORD**

After the Abbott-Turnbull Government took office in 2013 it immediately scrapped more than \$4 billion in proposed investment in public transport, cancelling projects that had already been assessed and approved by Infrastructure Australia. It transferred that funding to proposed toll roads that had not been assessed by Infrastructure Australia.

Of the three signature toll road projects supported by the Abbott-Turnbull Government, Melbourne's East West Link has collapsed, the Perth Freight Link has been halted by the courts on environmental grounds and the budget for Sydney's WestConnex project has blown out from \$10 billion to \$16.8 billion. Australian Bureau of Statistics figures reveal total public infrastructure investment fell by 20 per cent between the September quarter of 2013, which was Labor's last term in office, and the September quarter of 2015. Those figures do not take into account \$1 billion of extra infrastructure cuts in the 2016 Budget.

## **INFRASTRUCTURE AUSTRALIA**

Labor established Infrastructure Australia in 2008 to provide independent, expert advice on national priority projects. Just as the Reserve Bank of Australia is the independent authority at the centre of monetary policy, under Labor Infrastructure Australia would be at the centre of capital investment, driving projects in the national interest. Labor will ensure that Infrastructure Australia independently assesses all major infrastructure projects on the basis of the benefits they provide to the economy, the way they fit in with existing infrastructure, their commercial viability and their capacity to enhance national productivity.

Labor would also consult with the opposition on all Infrastructure Australia board appointments, boost Infrastructure Australia's funding and require the publication of business cases for major projects.

## **INFRASTRUCTURE FINANCING FACILITY**

Labor would enhance Infrastructure Australia's role by having it administer a new \$10 billion infrastructure financing facility. Infrastructure Australia will use the facility to leverage private investment into public infrastructure projects. Labor understands that under current circumstances, many potential private sector investors with funds to invest remain on the sidelines because of concerns about early-stage risks. Infrastructure Australia will use a combination of loan guarantees, discounted loans, seed money and debt guarantees to allay some of these concerns and get projects off the drawing board and under construction.

This is not a grants program. However, IA would be able to work with government grants to see projects secure additional finance under this facility. It will only offer loans, loan guarantees and equity where there is market failure and where projects are expected to deliver a return on its investment. This will ensure there is flexibility in financing arrangements.

Establishing an independent project broker that is able to structure projects and work programs to reflect risk will provide greater certainty for investors and incentivise states to propose projects and clear approvals.

In deploying capital, Infrastructure Australia would operate on the overarching principle of least contribution required. This means financing would be the minimum necessary to get a project under way.

In its first 100 days, a Shorten Labor Government would establish an independent expert panel to determine the revised structure of the strengthened Infrastructure Australia and to develop rules around the new financing mandate. The panel will report within six months of Labor forming government.

Using a conservative analysis prepared by Infrastructure Partnerships Australia, a \$10 billion infrastructure investment will directly create approximately 26,000 jobs and add around an extra \$7.5 billion every year to Australia's GDP.

## **LABOR'S FUNDING COMMITMENTS**

Infrastructure Australia has updated its Infrastructure Priority List annually since 2008, and the 2015 National Audit and Northern Australia Audit helped inform the 2016 list.

In Labor's key infrastructure commitments in this campaign, we have been careful to reference the audits and Priority List as relevant background to our announcements.

Where the business cases for projects are yet to be assessed, Labor's funding commitments have been made subject to a positive Infrastructure Australia assessment.

## **PUBLIC TRANSPORT**

Labor believes the Federal Government should invest directly in public transport and work with other levels of government to ensure proper integration of different modes of transport including buses, light rail and heavy rail systems.

The former Labor Government allocated more funding to public transport than all previous federal governments combined since Federation. But the incoming Abbott-Turnbull Government cancelled all investment in public transport projects that were not subject to contracts.

Infrastructure Australia's recently updated Priority List includes 28 projects that include public transport as a solution.

Subject to completion of business cases, a Shorten Labor Government will invest \$800 million for the Cross River Rail in Brisbane, \$1.35 billion in the Melbourne Metro and station upgrades, \$76 million for Adelaide's Gawler Line upgrade, \$500 million for the AdeLINK Tram Network expansion in Adelaide, \$1 billion for Perth's METRONET and back a Western Sydney rail line, which will connect to the Sydney West Airport at Badgerys Creek.

Labor also supports the Gold Coast Light Rail Stage 2 (Gold Coast to Helensvale) and the Perth to Forresterfield Rail Link, which are projects currently underway and which were previously supported by Labor in government.

## **NEW ROADS**

Labor will deliver the roads Australia needs to manage growth and drive job creation.

In Victoria, this includes \$356 million for the M80 Western Ring Road upgrade and \$177 million for the Craigieburn, O'Herns and Bridge Inn roads, which are part of the Melbourne Outer North to CBD capacity upgrade.

Labor would upgrade Queensland's Ipswich Motorway from Rocklea to Darra and invest \$168 million for the M1 Pacific Motorway Gateway Merge Upgrade, \$80 million on Perth's North Lake Bridge and \$88 million in the Wanneroo and Roe Highway overpasses. The Northern Territory would receive \$58 million for regional and remote roads.

Labor will also restore the Coalition's \$100 million funding cut to Tasmania's Midland Highway project taking the total commitment to \$500 million.

## **GROWTH AREAS**

A Shorten Labor Government's investment in urban rail and roads would focus particularly on growth areas on the edges of Australia's cities.

Recent shifts in employment patterns mean jobs growth is strongest in and around central business districts of major cities. Many working people are facing long journeys to and from work each day from drive-in, drive-out suburbs.

It is a tragedy that many Australians spend more time in their cars travelling to and from work than they spend at home playing with their children.

Labor's infrastructure program will target congestion in high-growth areas in the suburbs to reduce congestion so commuters can get to and from work more quickly, leaving them more time to enjoy with their families.

While traffic congestion is eroding the quality of life of many Australians, it is also a significant economic problem. Infrastructure Australia has calculated that without action now, traffic congestion will cost the nation \$53 billion a year in lost productivity by 2031.

## **BRUCE HIGHWAY UPGRADE**

The Bruce Highway is the main north-south highway along a large part of the Queensland coast, extending more than 1,700 km from Brisbane to Cairns.

It carries more traffic than any other highway in the state.

In the past three years, there has not been a single new project initiated by the Abbott-Turnbull Government that was not funded in Labor's Bruce Highway Ten-Year Plan in 2013.

During its six years in office Labor invested \$5.7 billion in the Bruce Highway, dwarfing the \$1.3 billion spent by the previous Howard Liberal government.

In the 2016 budget, the Turnbull Liberal Government cut \$118 million on what it had promised to spend just a year earlier.

A Shorten Labor Government will get the Bruce back on track.

## **PACIFIC HIGHWAY DUPLICATION**

The Pacific Highway duplication project is important for freight, connectivity and safety.

In our last year, the former Labor Government invested \$1.023 billion on Pacific Highway projects – a figure which it took the Abbott-Turnbull Government its first two years to match.

And in the 2016 Budget, the Turnbull Liberal Government reduced investment on the Pacific Highway by \$351 million from what it had promised in its 2015 Budget.

A Shorten Labor Government will end the go-slow program and get the Pacific Highway duplication back on course.

## **ROAD SAFETY**

In 2015, over 1,200 people died on Australian roads. The annual economic cost of road crashes is estimated at \$27 billion per year. This does not include the cost to families. While deaths are falling, the costs are unacceptably high.

Investments in better roads, improved vehicle safety, encouraging safer road use and using better technology are vital elements in reducing deaths and injuries on our roads.

A Shorten Labor Government will work with other levels of government to deliver the National Road Safety Strategy 2011-2020. This strategy was put in place by Labor and targets a reduction in road fatalities and crashes of 30 per cent over the decade through a series of defined actions and measures coordinated across governments.

## **FREIGHT**

The former Labor Government's National Ports Strategy and National Land Freight Strategy were important initiatives that have helped eliminate bottlenecks preventing the swift movement of goods to and from our nation's ports.

While Infrastructure Australia has proposed rewriting these strategies, Labor believes the existing work should be a starting point and a basis for action in government.

Using an equity injection into the Australian Rail Track Corporation, a Shorten Labor Government would duplicate the Port Botany rail line, boosting its capacity to send and receive containers by rail to and from intermodals in outer Sydney.

Labor would also boost freight movement around Port Kembla by investing in the Maldon to Dombarton rail project.

We'll invest in Victoria's Murray Basin Rail Project and the Gladstone Port Access Road in Queensland.

In Perth, Labor would invest in an Outer Harbour study to address the long-term issues in Perth's port needs as an alternative to the poorly-planned Perth Freight Link, which has been halted by the courts on environmental grounds.

## **INLAND RAIL**

The proposed Inland Rail link between Brisbane and Melbourne would significantly enhance movement of freight through some of Australia's most productive agricultural communities.

The former Labor Government invested \$600 million on upgrading existing track that will be part of the Inland rail line and set aside \$300 million to progress the project.

Before the 2013 election campaign, the Abbott-Turnbull Government promised to accelerate the development of Inland Rail.

However, it has failed to deliver any progress since being elected. In the Abbott-Turnbull Government's first two budgets it did not allocate an extra dollar to Inland Rail. While it has finally allocated some funds, it has not announced a starting date for the project.

A Shorten Labor Government will work with the sector to ensure Inland Rail is advanced.

## **WESTERN SYDNEY AIRPORT**

Labor supports the Sydney West Airport at Badgerys Creek, which will create thousands of jobs and provide a significant boost to Western Sydney's local economy.

But, unlike the Liberals, Labor will ensure the new airport is connected to Sydney's passenger rail network from the day it opens.

Badgerys Creek must be more than simply an airport terminal and runways.

Properly developed, it can be an aerotropolis, which will attract a range of businesses in aviation related sectors, providing thousands of jobs.

Connecting the airport to the railway line will also open up opportunities for value capture because the land surrounding the airport will be worth more with a rail connection than without. This difference could be reflected in the price at which the airport is leased to its operator.

Labor will ensure that the impact of aircraft noise is minimised, including ensuring a no-fly zone operates over communities from 11 pm to 6 am with simultaneous operations to and from the south-west.

## **NBN**

In the last three years Australia has plummeted from 30th in the world for internet speeds to 60th. We are now behind most of Europe. We are behind most of Asia. We are behind the United States and Canada and New Zealand. We are even behind Romania, Russia, Poland and Slovakia.

Malcolm Turnbull's second-rate copper NBN is holding Australia back. Our competitiveness as a nation will suffer as the Liberals continue to roll out last century's infrastructure, and opportunities for Australian enterprise and innovation will be lost to overseas markets – and the jobs will follow.

The most important piece of infrastructure for our 21st century economy is a first-rate, fibre NBN.

A Shorten Labor Government will scale up the rollout of fibre-to-the-premises and phase out the rollout of Malcolm Turnbull's second-rate fibre-to-the-node NBN. Construction of fibre-to-the-node will cease

when the current pipeline of construction work is completed and design and construction of fibre-to-the-premises is scaled back up.

This will deliver fibre-to-the-premises to up to two million homes and businesses during the initial build that would otherwise get Malcolm Turnbull's second-rate copper version.

A Shorten Labor Government will commission Infrastructure Australia, with input from relevant experts, to manage the development of a plan that outlines how and when the parts of Australia left with Mr Turnbull's second-rate NBN should be transitioned to fibre-to-the-premises.

## **HIGH SPEED RAIL**

A high speed rail link from Brisbane to Melbourne via Sydney and Canberra would revolutionise interstate travel.

It would also provide a major boost to the economies of regional centres along its route, including the Gold Coast, Casino, Grafton, Coffs Harbour, Port Macquarie, Taree, Newcastle, the Central Coast, Southern Highlands, Wagga Wagga, Albury-Wodonga and Shepparton.

The former Labor Federal Government conducted early planning which found the project would be viable and would return more than \$2 for every dollar invested on the Sydney to Melbourne leg.

Labor also appointed an expert panel including former deputy prime minister, Tim Fischer, and Business Council of Australia Chief Executive, Jennifer Westacott.

That panel recommended the creation of a High Speed Rail Planning Authority to advance planning and begin corridor acquisition.

But the Abbott-Turnbull Government has taken no steps to advance this visionary project.

A Shorten Labor Government will invest \$50 million to establish High Speed Rail Planning Authority in line with the recommendations of the expert panel.

We will task the High Speed Rail Planning Authority with calling for expressions of interest from international companies with experience in the successful construction and operation of high speed rail.

## **ACTIVE TRANSPORT**

Encouraging people to use active travel modes like walking and cycling takes cars off the roads, thereby reducing congestion. The exercise involved is also healthy for individuals.

Labor will work with other levels of government and community organisations to invest in walking and cycling tracks with an emphasis on those that connect to train and bus stations.

In Sydney, Labor will invest \$7.25 million in the Inner West Greenway, creating a continuous pedestrian and cycleway along the full length of the corridor and connecting suburbs to the CBD.

A Shorten Labor Government will also require Infrastructure Australia to consider active transport when assessing major infrastructure projects. For example, if a state government is proposing to build a new road, it could make sense to build an adjacent cycling track at the same time.

Labor would also support the Australian Bicycle Council to ensure the ongoing development of the National Cycling Strategy. The former Labor Government funded the council in 2011 so it could develop the 2011-2016 National Cycling Strategy, in consultation with Australia's transport ministers and other interest groups. However the Turnbull Liberal Government is jeopardising the development of this active transport policy by refusing to commit to any additional funding.

We will also continue to work with the States and Territories to consider establishing a new Walking, Riding and Access to Public Transport Council, as outlined in the 2013 Walking, Riding and Access to Public Transport report.

## **CITIES**

Labor will invest in the productivity, sustainability and liveability of Australian cities with a particular emphasis on the elimination of traffic congestion.

In 2014 we announced a 10 Point Plan for Cities:

- Investing in properly integrated transport systems involving public transport and roads.
- Investing in active transport solutions which connect up with public transport, education and employment hubs.
- Addressing housing affordability through the use of urban planning, land supply and use of incentives.
- Aligning greater housing density with public transport corridors.
- Promoting jobs growth in outer suburbs. This could be through direct investment such as Badgerys Creek Airport and Moorebank Intermodal project, or by giving consideration to incentives for location of business.
- Promoting jobs growth in middle rings around cities by investing in research precincts around universities and hospitals.
- Supporting connectivity and productivity through a fibre-to-the-premises National Broadband Network.
- Supporting renewable energy including buildings and precincts that produce their own power in new developments.
- Enhancing sustainability and resilience of household and industrial water supply and rehabilitating our urban waterways which for too long were used for industrial waste.
- Cooperation between governments to promote the development of second or third CBD's to decentralize jobs growth.

To guarantee the successful implementation of this plan, Labor has would appoint a Minister for Cities, reintroduce the Major Cities Unit, which will include a dedicated section to address growth pressure in outer suburban areas of the major cities, reconvene the Urban Policy Forum, publish the State of Australian Cities report annually and promote the "Creating Places for People" Urban Design Protocol, released in November 2011, in our urban design.

## **REGULATION**

Labor will continue to support micro-economic reform in the area of transport regulation and will work with industry and other levels of government to promote efficiency. In government, Labor successfully reduced the number of national transport regulators from 23 to three - a reform that will benefit the economy by \$30 billion in efficiency gains over 20 years. Labor will work with industry and the community to produce positive environmental outcomes consistent with the need to reduce emissions and pollution.



# A UNITED LABOR TEAM WILL PUT PEOPLE FIRST

From the day Bill Shorten became Leader, Labor's team has remained united, with a single-minded commitment to deliver those policies that put people first. A healthcare system underpinned by Medicare. An education system that gives every child in every school more individual attention – Public, Catholic or Independent. University and TAFE that is accessible for all.

**WE HAVE PUT FORWARD OUR POSITIVE PLANS.  
WE ARE UNITED. WE ARE READY.**



**WE'LL PUT PEOPLE FIRST**

