



**Sharon Grierson MP
Federal Member for Newcastle**

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Infrastructure Australia Bill 2008

Ms GRIERSON (Newcastle) (5.02 pm)—I am very pleased to rise today as a representative of the great nation building Labor Party to support the bill to establish Infrastructure Australia. After 11 years of Howard government neglect a more nationally coordinated approach to infrastructure reform is long overdue and certainly critical to our future. It is critical because unlocking the infrastructure bottlenecks that exist around our nation will help to unlock better economic performance and higher national productivity. This is the proposition that we put to the Australian people last year, a proposition they endorsed at the ballot box, and I am pleased that we are acting on that proposition so early in our first term.

The two key roles of Infrastructure Australia will be to audit the adequacy of the nation's infrastructure and develop an infrastructure priority list based on this audit for consideration by the Council of Australian Governments. Infrastructure Australia will advise governments, investors and owners of infrastructure concerning nationally significant infrastructure priorities, policy and regulatory reforms that are desirable to improve the efficient utilisation of national infrastructure networks, options to address impediments to the development and provision of efficient national infrastructure, the needs of users and possible financing mechanisms.

Nationally significant infrastructure would include transport, energy, communications and water infrastructure in which further investment will materially improve our national productivity. Infrastructure Australia will be structured with a 12-person council, and I am very pleased that the minister has announced Sir Rod Eddington as the chair. An Office of Infrastructure Coordination will be created in the Department of Infrastructure, Transport, Regional Development and Local Government with an infrastructure coordinator and up to 15 staff to support the work of Infrastructure Australia. Those are the mechanics of this legislation and of Infrastructure Australia.

The philosophy behind it, though, flows from the great Labor tradition of nation building. It was Chifley who built the Snowy, Whitlam who brought First World infrastructure to the outer suburbs of our cities and Keating who introduced the Better Cities Program, one that I certainly had intimate dealings with as a director on the Honeysuckle Development Corporation in Newcastle. So in Newcastle we do know a bit about the Better Cities Program and the sort of national building programs that Labor has historically instituted. Better Cities certainly helped us after the BHP steelworks closed when we needed to transform from an industrial city to a city with a diversified

economy. The Better Cities Program was a great model of how communities undergoing transformation could boost their economies, investing in areas like affordable housing, creating jobs and bringing a new vibrancy to their cities.

As Newcastle continues to grow and change, so do its infrastructure needs. Its energy, transport, water and communications challenges are laid out for us as we face greater population pressures. So I am very pleased that the Rudd Labor government that I am a part of will continue in that fine tradition of nation building. We have appointed the nation's first minister for infrastructure and we are here debating a bill that is the embodiment of our desire to once again give the Commonwealth of Australia clear leadership when it comes to nationally significant infrastructure.

In stark contrast, the former Howard government left us with an 11-year legacy of neglect. In communications you will recall that the former minister had 18 different broadband policy announcements, but we still have the slowest speeds of most developed countries. Not one of those policy announcements resulted in areas in my electorate, like Shortland or Thornton, getting decent connections. With water infrastructure we had the former environment minister's \$10 million grant for experimental rain-making machines, which was against his department's advice, I recall. In energy we had the former Prime Minister's plan for 25 nuclear reactors along the east coast, including one proposed for Port Stephens, in the Hunter region. In transport we had such neglect that without action we know that the congestion on Australia's roads would be likely to treble by 2020.

Fortunately, the Rudd government plans to put Australia back in the business of nation building through improvements to its infrastructure. We are getting straight to work on the more than \$25 billion infrastructure backlog that the previous Howard government has left us. The first task we have set Infrastructure Australia is to audit our national infrastructure and set out a priority list of projects. This is the first step: taking stock of the deficit and developing a plan to tackle it. By taking a coordinated national approach to infrastructure investment, we will make sure investment is directed where it is most needed—in productive capacity.

Infrastructure shortfalls are currently costing us 0.8 per cent of GDP in lost production. We have low export volumes, high foreign debt and 3.6 per cent underlying inflation. I was a member of the House of Representatives Standing Committee on Economics, Finance and Public Administration during the parliament's last term, so I well remember the 20 warnings delivered by the Reserve Bank to the previous government. They were very specific and very pointed but they were ignored. Last year, for example, at our August hearing the RBA governor said:

...inflation is likely to be around three per cent over the coming year and near the top of the target zone in the following year.

That was about three months before the election—an election in which we once again saw the former government ignoring the warnings and continuing its irresponsible spending spree. What the Rudd government wants to do is to invest responsibly in the areas where our productive capacity will actually be enhanced, because there are areas

that do need investment. In my own electorate we are very much aware of the shortfalls, and off any of our beaches you can see our coal ships lined up over and over again.

By 2009-10 the mining boom will have delivered close to \$398 billion into federal coffers. By the time of last year's federal election, the former Howard government had really delivered no sensible ideas on breaking the bottleneck at the port of Newcastle. While I acknowledge the contribution of the ARTC, it was certainly a matter of too little, too late; their efforts to continue that expenditure have been very welcome. I also note that Nick Greiner, the former Premier of New South Wales, is currently looking into a solution to the bottleneck at the port of Newcastle and I applaud the state government's initiative in that regard.

The shipping of coal out of Newcastle is an extremely complex business. It is not like 1799, when piles of coal sitting by the dock were loaded onto ships via wheelbarrows. We ship nearly 81 million tonnes of coal, valued at almost \$6 billion, each year. Thirty different coal producers send their coal from the Hunter Valley along the coal chain and along a railway track owned by the private and public sectors to the port of Newcastle. The trains are operated by two different operators and it becomes very complex. It is a big job but I also note the state government's investment in a third coal loader, which will increase our capacity by about 30 million tonnes when completed in 2010. It is long term and it is complex, but with Infrastructure Australia the Commonwealth will finally be looking at how places like the port of Newcastle fit into the national economy and national infrastructure plans.

In June last year, during one of the wildest storms that most of us had ever seen, people will recall that one of those coal ships waiting off the coast, the *Pasha Bulker*, actually ran aground. While that ship was being beached, thousands of Newcastle homes were being flooded due to a massive failure of the stormwater system under those extreme conditions. I note that one of Infrastructure Australia's tasks will be to provide advice on infrastructure policy issues arising from climate change. If we are going to experience those weather extremes more often, then Infrastructure Australia will have a big role to play in making our cities not only more liveable but also sustainable and survivable.

Last year I convened in my electorate two meetings of my region's energy industry representatives—the energy generators, coal companies, researchers and unions—to talk about positioning our region to lead the fight against climate change. They were very positive meetings. We all recognised that, as a centre for energy production and export, our region has a responsibility to make these activities sustainable into the future. At last year's election, Labor committed \$50 million for an Australian solar institute in Newcastle and \$55 million for a clean coal package. So the Rudd Labor government has made these concrete commitments of fighting climate change and securing a sustainable energy future. Once again, the audit of infrastructure needs by Infrastructure Australia will help us to understand how regions like ours fit into the energy infrastructure of our nation as a whole.

As with all of the policies that we put to the people last year, Labor is about looking to the future, tackling the big issues such as climate change, infrastructure and productivity. I see an exciting role for my region in that future. But I also see a growing population demanding the infrastructure they need to productively contribute to the economy. They certainly do not want to see infrastructure lag behind the progress of regional growth. They want something to be done about the congested roads as people commute in and out of our city every day. For cities like ours, which are linked to major areas like Sydney, the Hunter and the Central Coast, the people do want to be able to get to Sydney or to travel north by train or road faster and with fewer delays. The F3, the major link between Newcastle and Sydney, has already had major blockages caused by crashes twice this year. Most travellers also agree that the time it takes to get to Sydney by rail could certainly be reduced.

Without investment from the Commonwealth government those sorts of major projects really have not been able to have been escalated. But Labor did make some excellent commitments at the election to help get freight onto rail to ease road congestion, and I look forward to Infrastructure Australia's audit of other projects that will help the productive capacity of my region. I also look forward to its consideration of airports. Newcastle is the fastest-growing regional airport in Australia and I notice it has been mentioned in dispatches recently when a second Sydney airport was floated again in the media. So the future of our airport definitely needs to be considered in the national context. We will have to look at the road links to the airport as well as the rail links, of which there are none at the moment.

When you live in an industrial revolution, you see such rapid growth. Our region is a region of mining engineers and skilled people who are constantly flying out of our city to consult and advise around the world. So if we are serious about expanding our airport, which I am, we have to be serious about improving the infrastructure and transport links to it. Once again, I look forward to Infrastructure Australia's audit of our nation's priority needs and seeing where my region and the city of Newcastle fits in. Unlike the Howard government's approach, this bill establishes a way of looking at our needs from a national perspective so that each region fits within an overall coordinated approach so that it can fully contribute to our nation's productive economy. I commend the bill to the House.