

## Question on Notice

No. 1094

Asked on 28 September 2004

MR ROBERTS asked the Minister for Transport and Minister for Main Roads (MR LUCAS) –

QUESTION:

With reference to the Gateway Motorway and Bridge –

- (1) What financial commitment, if any, has the Federal Liberal-National Party Government given towards actual construction of current proposals to upgrade these assets?
- (2) Is he aware of any recent statements made by Federal Coalition candidates regarding tolls on the Gateway and any statements from the Federal Government dealing with such matters?

ANSWER:

I thank the Member for Nudgee for the question.

- (1) The Gateway Motorway forms part of the National Highway System (NHS) for which the Australian Government has full funding responsibility. Funding of the Gateway Bridge is a state responsibility.

In 2001, the Department of Main Roads – in cooperation with the federal Department of Transport and Regional Services (DoTaRS) – commenced investigations into the need to upgrade the Gateway Motorway and duplicate the Gateway Bridge.

The resulting strategic needs assessment indicated that the Gateway Bridge and motorway approaches are nearing capacity – the bridge should be duplicated before 2011; the southern section of the motorway from Mt Gravatt-Capalaba Road to Lytton Road should be widened; and a new northern motorway deviation constructed through the old and new airport sites between the bridge and Nudgee Road.

Main Roads and DoTaRS jointly funded this concept planning phase on the basis of indicative relative funding responsibilities (ie. 70% federal:30% state) at a total estimated cost of \$6m.

In May 2003, the Queensland government decided that a business case should be developed to investigate the potential of an overall federal/state Gateway Upgrade Project (GUP) being delivered under a Public Private Partnership (PPP) arrangement. Ultimately, this was agreed with the Australian Government and representation on the GUP Business Case Steering Committee was determined. It comprises senior officers of Main Roads, DoTaRS, Queensland Transport, Department of State Development and Innovation, Queensland Treasury and the Department of Premier and Cabinet.

In September 2003, and again in December 2003, the Queensland government submitted a funding request to the Australian Government to meet its share of the estimated cost of \$8m for development of the GUP business case for the road component (ie. \$5.6m or 70%), together with a further \$1.3m for related hardship acquisition costs.

However, despite its funding obligations for the road component, former federal Roads Minister, Senator Ian Campbell, advised me on 28 March 2004 that the Australian Government:

- would fund the business case on a shared 50:50 basis (ie. the Australian Government would fund only \$4m – not its full 70% share); and
- would consider hardship land acquisition costs “*as part of overall project funding arrangements and the priority of this project under AusLink*”.

Of real concern is that, under its AusLink White Paper – released in June 2004 – the Australian Government confirmed that it would no longer assume full funding responsibility for the NHS; rather, it intends to partially fund a broader set of nationally-significant road and rail projects on its defined AusLink National Network. This means the Australian Government will, in some cases, choose to commit to partially fund lower order needs on Queensland’s road network – thus distorting state and local government road funding priorities – for political expediency. (State, territory and local governments are united in their opposition to the Australian Government’s policy position to walk away from full funding of the existing NHS for this very reason.)

Under the current five-year AusLink Plan, the Australian Government has committed \$573m of new money to Brisbane Urban Connectors in south-east Queensland – leaving a massive Australian Government funding shortfall of \$1.2 billion over this timeframe.

In reality, the Australian Government has already committed all of its \$573m AusLink allocation (and more) in the lead-up to the federal election – namely: Ipswich/Logan Motorway interchange (\$160m); construction of an alternative northern option – the feasibility of which will not be known until April 2005 (\$400m); implementation of some Brisbane Urban Corridor Study recommendations (\$20m); construction of the Kessels/Mains Road interchange (\$60m+).

Notably, the Australian Government’s commitment to meeting its share of the GUP did not rate a mention in the lead-up to the federal election.

So, to answer your first question, the Australian Government has not made any financial commitment to the actual construction of the GUP, the cost of which is currently estimated at some \$1.5 billion (road estimated \$900m – Australian Government responsibility; bridge estimated \$600m – state responsibility).

- (2) In his letter to me of 28 March 2004, Senator Ian Campbell also stated that he was “*interested in exploring to the fullest the viability of developing the Gateway Motorway corridor essentially with private sector funding*”. This means either direct or shadow tolling arrangements.

He further stated he would be “*interested in the extent of public subsidy, if any, that may be required for the project (both bridge and approach roads) and preferred options for delivery, having regard to existing arrangements along the motorway*”.

Accordingly, it is extraordinary that, as part of their election platforms, two senior federal Liberal candidates (Gary Hardgrave and Teresa Gambaro) ran paid television advertisements claiming that, if re-elected, they would lobby to have the tolls removed from the Gateway Bridge and Logan Motorway – without any acknowledgement of the facts, namely:

- in the case of Logan Motorway, despite Gary Hardgrave’s constant lobbying for removal of tolls, Senator Campbell had previously publicly stated that the Australian Government does not support this proposition; and
- as part of the NHS, the road component of Gateway Motorway is an Australian Government funding responsibility and any move on behalf of the federal government to remove tolls on the existing/new Gateway Bridge can only be met at federal government expense/diversion of other federal funding priorities.

Specifically, in the case of Gateway Motorway, on the one hand, we have a federal roads minister stating that he wants to explore opportunities to toll – in some form or another –the Gateway NHS, due to other competing priorities in Queensland and other states for vital road infrastructure projects. On the other, we have two senior members of the Howard Government openly seeking to hood-wink the Queensland public into believing that, if re-elected, it is within their power to redirect Australian Government priorities for self-gain and over-turn their own government’s clearly stated policy position with respect to its AusLink agenda.

Even assuming the federal government met its responsibilities for the estimated \$900m upgrade of the Gateway Motorway NHS, the cost of providing toll-free facilities on Gateway Bridge (new and existing) and the Logan Motorway would be of the order of \$2.5 billion – taking account of interest charges on borrowings for new construction and to fund the overall compensation packages for existing infrastructure.

Recognising the rapid growth needs of SEQ and industry and community demands of a decentralised state such as Queensland – and in the absence of adequate Australian Government road funding to meet those needs – successive Queensland governments have been prepared to provide essential new road infrastructure corridors in SEQ under direct tolling arrangements. In addition (and excluding the \$951m Pacific Motorway, which was funded as a special initiative – partly funded from asset sales engineered by the Borbidge Government) over the past ten years, state road funding in Queensland has more than doubled in real terms – with the state government providing, since December 2003, a further significant injection of \$1.06 billion – over and above normal road funding sources – over the next five years.

By comparison, over the past 28 years (apart from two one-off special initiatives in the Hawke/Keating years), the record of the Australian Government has been to maintain the status quo – in real terms. While the federal Coalition’s five-year AusLink plan proposal promises more, it is not nearly enough to address the backlog of deficiencies on Queensland’s NHS and extra federal funding will not flow until 2007-08.

Notably, average AusLink funding over the next five years still only reflects 21% of the total Main Roads budget.

In summary, the Queensland government's position is clear. It will continue to shoulder the bulk of its responsibilities for those roads for which it has full funding responsibility – on the basis that the Australian Government meets its existing and emerging NHS responsibilities.

Further, in the event the Australian Government decided to support removal of tolls on existing toll facilities in Queensland in the future, then the Australian Government must fund the resulting impost on the Queensland taxpayer accordingly.

Whilst I will always vigorously work in the best interest for Queensland, I am more than happy to work cooperatively with the federal government and, to this end, I am meeting with the federal Roads Minister this week in Canberra.