

Question on Notice

No. 847

Asked on 5 June 2007

MR O'BRIEN asked the Minister for Transport and Main Roads (MR LUCAS) -

QUESTION:

With reference to the Federal Government matching of the State's commitment for an additional \$10m for the Peninsula Developmental Road –

Will he advise when this money will be made available and when work can commence on the designated project this commitment funds?

ANSWER:

I thank the Member for Cook for the question.

The state government recognises the importance of the 528km Peninsula Developmental Road, which extends from Lakeland to the Comalco lease boundary, 26km east of Weipa, and the role it plays in the economic development of the Cape York Peninsula area.

Persistent lobbying by the state government saw the federal government declare the section of road from Lakeland to the Comalco lease boundary a Road of National Importance (RoNI) in August 2002. This made the road eligible for state and federal government funding for upgrading projects on a 50/50 basis.

However, the federal government abandoned the RoNI funding program in 2004, after funding only 50% of two projects, a total of \$5m in federal funding. In addition, \$10m of flood damage repairs was carried out following Cyclone Monica last year, 75% of which was funded by the federal government. Apart from this, there has been no funding contribution by the federal government for upgrading projects on the Peninsula Developmental Road, until this recent \$10m announcement.

In contrast, the state government has shown its ongoing commitment to the Peninsula Developmental Road by consistent investment. Over the last seven years (2000-01 to 2006-07), the state government has spent \$75m on upgrading and maintenance works.

With the federal government's introduction of AusLink and its abolition of the RoNI program, the only opportunity for Cape York residents to secure federal funding for this critical link was through the AusLink Strategic Regional Roads Program.

Therefore, following Cyclone Monica in April 2006, Main Roads helped Cook Shire Council prepare a \$20m funding submission to the federal government, under the Strategic Regional Roads Program, to seal a 30km section between Lakeland and Laura, from Lily Creek to Crocodile Gap. Sealing of this section is the most cost-effective use of funding and, once completed, will leave only 10km of unsealed road between Lakeland and Laura. It included a commitment by the state government to provide \$10m matching funding towards the project.

However, despite these efforts, the federal government refused to commit funding to the project in December 2006, when other successful projects were announced. The state government was preparing to construct only half the project – some 15km – with the state funding available, given Canberra's rejection of the funding submission.

Then the May 2007 federal budget included an announcement that further funding would be provided under the Strategic Regional Roads Program, with details of individual projects announced later that month. At the eleventh hour, the Prime Minister announced that matching federal funding would be made available for the 30km sealing project between Lakeland and Laura.

Because the state government had continued to progress the project, while awaiting a federal funding announcement, planning is complete and design is underway and expected to be complete in August 2007. Construction tenders will then be called and work will start after the 2008 wet season, in mid 2008.

While the announcement of matching federal funding for this project is welcome, it falls far short of what is needed to upgrade the Peninsula Developmental Road so that it can better withstand wet season damage and so that associated prolonged closures can be reduced. Main Roads has provided an updated strategy to Canberra, outlining what is needed. It outlines a range of options to upgrade the road, with preliminary cost estimates ranging from \$475m to \$661m. The state government is committed to progressively upgrading the Peninsula Developmental Road. However, this task is beyond state government resources alone, without support and matching commitment from the federal government.

A firm federal funding commitment is needed to match the larger ongoing investment the state government is making in the road. In addition to the forthcoming Lily Creek to Crocodile Gap project in 2008-09, the construction of a suite of state-funded projects worth \$10m, mainly between Coen and Weipa, will get underway over the next few months. By the end of 2007, the total length of sealed road will have increased to 106.2km, largely through state-funded projects.

I will continue to lobby the federal government to provide matching funding to continue the upgrading of the road, so that progress can be made more quickly.