



PRIME MINISTER

LAND TRANSPORT STATEMENT

27 FEBRUARY 1990

Labor has given land transport high priority throughout its three terms.

The facts are:

- . Labor undertook and completed the first all-weather National Highway link around Australia: 16,000 kilometres in all weathers, over all terrains.
- . This project alone has cost \$3.7 billion; it is in cost and scope a greater civil engineering achievement than the Snowy Mountains Scheme, also a Labor initiative.
- . The National Highway System has been transformed in the process
 - with major spending on the Hume, the Newcastle Expressway, Tasmania's Midland Highway, the replacement of 90 narrow bridges along the length of the Bruce Highway, the sealing of the Barkly Highway and vital works on the range of other highways which make up the system
- . Labor has put more than \$9 billion towards roads in its seven budgets.
- . This is 18 per cent higher in real terms than the previous seven years under the Coalition, representing an annual average of \$235 million higher in real terms.
- . The proportion of total Federal Government revenue from fuel which is devoted to roads is higher than in the last year of the previous Government.
- . Rail, too, has received priority. Labor recognises that rail is environmentally cleaner, safer and an integral part of the transportation system of any nation which relies on bulk handling for a large part of its export effort.

- . Australian National, under Labor, has achieved a higher cost recovery rate than any State railway, reducing its call on the tax payer by 65 percent in real terms, and without industrial disputes. Australian National now makes a profit on its freight network without "taxing" vital resource industries.
- . Labor has instituted a National Arterials program to ensure that the highest priority is given to major projects of national economic significance which an individual State on its own would find too large to handle.
- . Labor has poured \$730 million into the Hume Highway, the nation's principal highway in terms of traffic volumes and value.
- . Sixty-five per cent of the Hume is now 4-lane standard. By the end of our fourth term, almost all of the highway and most of the by-passes will be at this standard. Victoria in particular is now due to benefit substantially.

The next term

In our fourth term, Labor will:

- . Devote \$100 million a year to a new roads program, financed from the additional 20 percent sales tax on luxury vehicles recently announced by the Treasurer
- . The new program will concentrate on roads of major economic significance outside the capital cities and will be known as the Provincial Cities and Rural Highways Program
 - roads projects funded under this new program will qualify on the grounds of high benefit-cost ratios
- . Examples of roads or regions where the next Labor Government may fund appropriate projects, with the co-operation of relevant State Governments, include:
 - the Calder and Midland Highways in Victoria
 - the Lincoln Highway in South Australia,
 - North Queensland and West of the Divide
 - Tasmania
 - other major regional roads with high benefit-cost ratios
- . The new program will be used to complement the present national arterials/roads of national economic significance program which is aimed at funding major projects with high benefit-cost ratios and of vital importance to the national economy

- at present, this program is in its early years and is concentrated in areas such as ring roads in Melbourne and Perth, the Glebe Island container terminal bridge; the Liverpool to Hornsby arterial; and the Gateway arterial in Brisbane.

. The debate over the state of the Pacific Highway north from Newcastle has focussed on suggestions for a four-lane dual carriageway

- such a project is, as I have said recently, possible under existing funding levels within the "ten to twenty year" time frame so cynically stated by National Party spokesmen, provided only that the State Government accords appropriate priority
- using the funds supplied to it by the Commonwealth and its own funds.

. We are prepared to devote funds from this \$300 million over the next 3 years to accelerating the Pacific Highway upgrading should the State Government now choose to devote to it the highest priority, through the use of their own funds and existing Commonwealth funds.

. Labor recognises the benefits that rail offers and is pursuing an integrated rail freight management system. There is a vital need to upgrade both the north-south and east-west rail freight corridors to ensure timely delivery of both exports and "just-in-time" inventories to ports or distribution centres.

. As a result, funds from the new program may also go towards priority improvements to mainline rail systems after taking account of State views.

. Labor also pledges in its fourth term to continue active negotiation and implementation of the initiative to obtain nationally consistent road laws and eliminate accident black-spots

- the commonsense nature of this initiative should be obvious
- truck drivers should have one national licence and a national demerit system
- a drunk is a dangerous driver, no matter where the State border starts, and
- bicycle helmets for children are essential.

. The Government renews its call to the States to accept these proposals, to which the Government last year made clear it is prepared to devote \$120 million, over three years.

The Bottom Line

- . Over the full term of the next Hawke Government an additional amount of \$300 million will be made available for priority roads or rail projects in regional areas.
- . This massive level of new funding will not impact on the Budget surplus Labor has achieved.
- . It will be targeted to complement (not to reduce) our present emphasis on national arterial projects which have by their nature more often than not been sited in major urban centres, and the 16,000 kilometre National Highway System.
- . Like all Labor's new commitments during the election campaign, the new program is fully funded.
- . This bottom line does not include the benefits of indexation of existing road funding
 - indexation will, by itself, add some further hundreds of millions to Labor's roads funding efforts over the next three years
 - these funds are already included in the forward estimates, as this was a Budget commitment dating from 1988.