

MAV State Council Meeting – 18 May 2018

Infrastructure Funding

Submitted by: Yarra City Council

MOTION:

That :

- 1) That the MAV raise with the Commonwealth through all other relevant forums:
 - a) the need for re-alignment of federal funding arrangements so that the three levels of Government in Australia have a more efficient match between their public responsibilities and their finances;
 - b) the need for the Commonwealth to urgently address the rapidly growing infrastructure gap in the States, particularly as regards rail transport in and between capital and regional cities – with significant funding being immediately provided to metropolitan public transport which will free up road space for cars and freight;
 - c) the need for equitable infrastructure funding to States to reduce major discrepancies between the Australian States, e.g. Victoria’s infrastructure funding has been reduced to 8-9% of federal infrastructure funding notwithstanding its population being 25% of the nation which produces 22% of the Australian GDP.
- 2) That the MAV therefore seeks:
 - a) A commitment to a “new agreement of principles” funding discussion across all three levels of government so it is clear who does what based from which taxation stream.
 - b) \$ for \$ Commonwealth infrastructure investment in rail in both metropolitan and regional cities; and
 - c) Better communication of the Commonwealth’s infrastructure funding distribution formula.

MAV Strategic Work Plan (SWP):

Indicate whether or not the subject matter of your motion is included in the MAV SWP 2017-19.

Is the subject matter of this motion included in the SWP?	Yes	
If yes, identify the following:		
Objective No.	1	2
Priority No.	P1	P4
Item No.	1	1

RATIONALE:

There is critical importance to maintain Federal funding to remedy infrastructure gaps in the States and territories, especially public transport infrastructure, especially rail (all forms - freight, passenger, heavy rail, metro and light rail), having regard to its essential contribution to delivering positive productivity outcomes.

The importance of railway construction was recognised by Australia’s founders in ensuring that the federal constitution provided for Commonwealth power over “railway construction and extension in any State with the consent of that State” (Constitution of Australia, Section 51(xxxiv)).

Transportation has a major impact on the national economy and the location, form and function of employment and activity centres, impacting urban form and liveability of cities. Cities across Australia are major drivers of economic growth and productivity with research (University of Western Australia (FACTBase Bulletin 21) identifying a clear link between city competitiveness and connectivity, and the role that transport, and particularly public transport, plays in cost factors for workers, employers and

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service provision. The Reserve Bank (Governor Phillip Lowe and his predecessor, Glenn Stevens) has called on the Federal government to invest more in transportation infrastructure for a growing population and to boost the economy.

The State of Victoria has received less than half to a one third share of federal funding to which Victoria is entitled on a per capita basis. The federal budget allocated to Victoria 19% of Commonwealth national partnership payments for 2015/16, later falling to 12%, to 9%, to now 7.7% of national infrastructure funding despite Victoria's population being the fastest growing and comprising 25% of Australians.

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