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Committee for Melbourne 2019 Federal Election Priorities

Thank you for the opportunity to present Labor's position in response to issues outlined by your members in the Committee for Melbourne 2019 Federal Election Priorities.

Labor believes that successful cities are inclusive cities, with diverse, vibrant communities – not disconnected enclaves of privilege and disadvantage. Collaboration across all levels of government is critical if we are to overcome spatial inequality, which is already being felt in parts of our cities.

A Shorten Labor Government will deliver good governance and evidence-based decision making - getting processes right provides us with the best opportunity to ensure our cities are productive, sustainable and liveable.

Please find our responses below.

Q1. Airport link

Over the course of the Federal Election campaign, Labor will be making announcements that will lift overall investment and deliver real money for real projects that will make a real difference for Melbournians. In the case of infrastructure, Labor will generally work on planning and funding projects in consultation with the Victorian Government, as it will generally be the proponent and ultimate owner of the asset.

Labor has already announced that it will invest in the Suburban Rail Loop – getting the project going faster and creating jobs sooner. The Airport Rail Link will form the Loop's north-west section, which will connect the Airport to the new super-hub at Sunshine.

Q2. Skills

Labor has a plan for Australia's future. Investing in the future always begins with education. This is where the difference between Labor and the Government could not be starker.

Nine out of ten new jobs created in the coming years will require either a university degree or a TAFE qualification. Only a Shorten Labor Government will properly fund both.

Labor will end the Liberals' effective cap on university places, opening the doors of higher education to an additional 200,000 Australians.

And when it comes to vocational education, Labor is backing public TAFE all the way. We believe a skilled and educated workforce is a national economic priority, and TAFE is the lifeblood of our vocational education and training system.

We will invest in TAFE and apprenticeships and ensure young Australians have the skills they need to succeed in our changing economy.

Importantly, Labor will undertake a once in a generation National Inquiry into Post-Secondary Education – to ensure our vocational education system, universities and labour market programs are fit for the future.

Labor's more than \$1 billion investment in TAFE and Apprentices will:

- Provide 150,000 Additional Apprentice Incentives in areas of skill shortages – reversing the decline that has occurred under this government.
- Waive upfront fees for 100,000 Australians to go to TAFE.
- Invest \$200 million to rebuild and upgrade TAFE campuses across the country.
- Support 10,000 young Australians to do a pre-apprentice program to prepare them an apprenticeship.
- Guarantee at least two out of three dollars of public funding on vocational education goes to public TAFE.
- Require at least one in 10 jobs on all major infrastructure and defence projects to be filled by an apprentice or trainee.
- Establish an Apprentice Advocate, to improve the quality of Australia's apprenticeship system and develop a long-term plan for skills and training.

To ensure that the skilled migration program continues to meet Australia's needs, Labor will establish the Australian Skills Authority – an independent, labour market testing body to determine genuine skills needs and restrict temporary work visas to those areas.

The Australian Skills Authority will work with industry, unions, higher education and TAFE sectors, and state and local governments to project Australia's future skills shortages and train Australian workers for those jobs.

Q3. Housing

Australia is in the midst of a housing affordability and homelessness crisis under the Morrison Government – our housing system simply isn't delivering for working and middle class Australians.

Rates of home ownership have plummeted to historic lows, record numbers of families are experiencing rental and mortgage stress, and many of the most vulnerable in our communities are at-risk or experiencing homelessness.

The Abbott-Turnbull-Morrison Government has failed to provide national leadership in housing policy or to invest in the supply of Australia's affordable housing stock.

Labor has a comprehensive plan to tackle the housing affordability crisis, increase supply, combat growing intergenerational inequality, support jobs and skills, assist Budget repair, and improve financial stability.

A Shorten Labor Government will:

- Reform negative gearing so that deductions can only be claimed on newly built homes, which will increase new housing supply and support jobs. We will reform the capital gains tax concession and allow existing investors maintain their current CGT and negative gearing entitlements. There will be no retrospective taxation or impost on existing investors.
- Build 250,000 new affordable rental homes over the next decade in partnership with the community housing sector for Australians on low and moderate incomes. We will also ensure that 1 in 10 employees engaged in building new housing stock under our scheme are apprentices.
- Create a viable Build to Rent sector in Australia – giving institutional investors better tax concessions, encouraging more construction and stimulating the housing market. We will cut the managed investment trust withholding rate in half from 30 per cent to 15 per cent to encourage new housing supply.
- Provide \$88 million over two years for a new Safe Housing Fund to increase transitional housing options for women and children escaping domestic and family violence, young people exiting out-of-home care and older women on low incomes who are at risk of homelessness.
- Develop and implement a national plan to reduce homelessness through the Council of Australian Governments (COAG).
- Limit direct borrowing by self-managed superannuation funds. Limited recourse borrowing in SMSFs has exploded in recent years, increasing risk in the superannuation system and crowding out first home owners.

- Facilitate COAG processes to introduce a uniform vacant property tax across all major cities.
- Increase fees for overseas investors buying Australian real estate and increase penalties when they break the law.
- Achieve better results from National Agreements, including better rights for renters, planning reform, inclusionary zoning, and accelerated land release.
- Re-establish the National Housing Supply Council and appoint a dedicated Federal Housing and Homelessness Minister.
- Establish a new and independent COAG Economic Reform Council that will be given the autonomy to examine, track and report to COAG on long-term reform priorities, including on housing affordability and supply.

Secure housing is essential to wellbeing, participation and inclusion and that all Australians have a right to safe, affordable and appropriate housing throughout their lives.

A Shorten Labor Government will ensure that the issue of affordable housing for all Australians is front and centre of our national agenda for the next decade and beyond.

Q4. Eastern seaboard collaboration

Labor is committed to ensuring that our cities and regions can compete and win in global markets and attract investment and the high skill, high wage jobs that come with them. That's why we're investing the infrastructure that will connect Australian citizens and businesses with the world.

High Speed Rail (HSR) connecting the nation's east coast capital cities has the potential to be a game-changer, transforming the way Australians live, work and get around our vast continent.

Firstly, it would revolutionise interstate travel. People would be able board a train in the Sydney CBD, travel at 350 kilometres per hour and arrive in the heart of Brisbane or Melbourne less than three hours later. Ultimately, an east coast network would service two-thirds of Australians.

Secondly, it would turbo charge the regional economies along its path including the Gold Coast, Casino, Grafton, Coffs Harbour, Port Macquarie, Taree, Newcastle, the Central Coast, Wagga Wagga, the Southern Highlands, Albury-Wodonga and Shepparton.

And lastly, it would help take the population pressures off Sydney and Melbourne, in particular, by giving people the option of living in regional communities and still being able to easily and quickly access employment and other opportunities within those cities.

It is for reasons like these that a landmark study commissioned by the former Federal Labor Government concluded that HSR would produce \$2.30 in public benefit for every dollar invested in building it.

To further planning for HSR, Federal Labor has repeatedly proposed that a High Speed Rail Planning Authority be established, including all levels of government along the route to undertake the early work around corridor protection that is necessary for such a project to proceed in the future. The Federal Government has repeatedly refused to support this.

Q5. Internet

In the 21st century broadband is not just a consumer good. It must be seen as an essential service and Labor gets this.

This is why Labor has announced it will implement an NBN Service Guarantee to set service standards for fault repair timeframes, installation timeframes and missed appointments. If these reasonable service standards are not met, then NBNCo will be subject to a penalty, with stronger penalties to apply for issues which impact on small businesses. Less downtime and greater accountability – that's what we want to achieve.

The other key elements of our NBN policy include:

- Helping to get more older Australians and low-income households connected, making our country more modern and inclusive.
- Improving speeds and reliability for up to 750,000 Fibre to the Node households.
- Undertaking fibre upgrade trials to validate costs and help plan for future co-investment in upgrades.

Q6. Digital capability

The rapid development of artificial intelligence (AI) technology offers immense potential for social benefit by stimulating the development of new industries and jobs, enhancing productivity across existing industries and advancing Australia's national interest. Without proper oversight and governance, the emergence of such technologies risks exacerbating global inequality and disrupting the global strategic order.

Labor recognises that the development of AI and related technology should be subject to principles of ethical governance including, but not limited to:

- Maximising public good - ensuring technology is safe, trustworthy and under the ultimate control of human decision-makers.
- Ensuring gender and ethnic diversity is accounted for in the development of AI to minimise inherited biases.
- Maximising employment outcomes for Australians, public governance frameworks for AI allowing people to challenge decisions made by automated processes that affect them.
- Ensuring that the deployment of AI reflects Australian values; valuing openness and accountability.
- Developing appropriate legal and ethical regulation.

A Shorten Labor Government will look to implement these principles in a practical way, including by:

- The establishment of a National Centre of AI Excellence.
- A review of the use of algorithms and artificial intelligence in government.
- Reporting mechanisms to help track how privately devised and managed algorithms impact on the income and prices generated on digital platforms, including ride sharing and food delivery, to help prevent exploitation and worsening inequality.
- Government support for start-ups focused on using algorithms and artificial intelligence for maximising employment and positive social impact.

Q7. Metropolitan collaboration

Labor believes that successful cities are inclusive cities, with diverse, vibrant communities – not disconnected enclaves of privilege and disadvantage.

Collaboration across all levels of government is critical if we are to overcome spatial inequality, which is already being felt in parts of our cities.

Someone's postcode should not determine their income.

Labor will deliver good governance and evidence-based decision making - getting processes right provides us with the best opportunity to ensure our cities are productive, sustainable and liveable.

A Shorten Labor Government will work with states, territories and local government to:

- Invest in properly integrated transport systems involving public transport and roads.
- Invest in active transport solutions which connect with public transport, education and employment hubs closer to where people live.
- Improve housing affordability through the use of urban planning, land supply and incentives.
- Drive alignment of funding for smart and sustainable urban infrastructure.
- Align greater housing density with public transport corridors.
- Encourage best practice urban designs outlined in *Creating Places for People: An Urban Design Protocol for Cities*.
- Promote jobs growth in outer and middle ring suburbs. This could be through direct investment, for example investing in research precincts around universities and hospitals, through consideration of incentives for the location of business, and supporting innovative funding models for local governments in high growth areas.
- Coordinate federal government policy and federal government work with states, territories and local government to support connectivity and productivity through a fibre National Broadband Network.
- Earlier integration of water, wastewater and stormwater into urban planning to improve overall (including health and liveability) outcomes for our cities and regions.
- Incorporate action on climate change into major urban strategic plans (mitigation and adaptation).
- Facilitate the transition to renewable energy by supporting urban innovation and green urban growth e.g. net zero carbon and liveable precincts.

Labor has also announced its City Partnerships policy:

A Shorten Labor Government will overhaul and replace the Liberal's City Deals with a City Partnerships program that will foster more genuine collaboration between the three levels of government.

To achieve this Labor will:

- Re-establish the Major Cities Unit within the independent Infrastructure Australia and task it with recommending and assessing the progress of City Partnerships.
- Establish an expert panel to update strategic planning guidelines for cities as well as to develop guidelines for City Partnerships, in consultation with the Minister, which include benefits to the economy.
- Refresh the National Urban Policy, which Labor released when last in government, to ensure City Partnerships align with its objectives, for example, in areas like sustainability and smart technology.
- Labor accepts that City Partnerships must be tailored and flexible, but we expect them to set out a strategic vision that aligns with the National Urban Policy and delivers on pre-determined performance indicators.

Labor's City Partnerships will ensure a better quality outcome for all cities. Labor will honour pre-existing financial commitments and enrich any current City Deal to make them true drivers of economic development.

This includes those cities that have a signed statement of intention or MOU with the Federal Government but no funding commitment. These cities will have the opportunity to work with the Major Cities Unit to deepen their agreement and deliver a true City Partnership.

Labor's Infrastructure Plan

Over the course of the Federal Election campaign, Labor will be making announcements that will lift overall investment and deliver real money for real projects that will make a real difference for Melbournians. In the case of infrastructure, Labor will generally work on planning and funding projects in consultation with the Victorian Government, as it will generally be the proponent and ultimate owner of the asset.

The Liberals' Record

The Liberals and Nationals are talking up infrastructure spending that won't start for at least four years. Furthermore, their record in government has been to overpromise and then to underdeliver – every year in office.

The bottom line is Australia simply cannot afford their annual cuts.

The quality of our infrastructure impacts on the everyday lives of all Australians – and the challenge of getting it right is both urgent and complex. It calls for collaboration between governments and with the private sector.

But above all, it requires strong leadership and great investment from the Federal Government – and a Shorten Labor Government is committed to delivering both. We have done it before, and we will do it again.

Victoria left behind

Despite being home to 25 per cent of Australians, the state of Victoria has received as little as 7 per cent of the Federal infrastructure budget – and only now on the eve of an election the Liberals have rediscovered the State. For example, 98 per cent of the funding for the commitment to Geelong Fast Rail won't be available for at least another four years.

By comparison, the former Federal Labor Government more than doubled annual Federal infrastructure spending from \$89 to \$201 per Victorian.

Amongst other things, this record investment helped build Melbourne's first major new rail line in 80 years: Regional Rail Link. This 47.5 km line through the western suburbs has separated the regional V/Line Ballarat, Bendigo and Geelong services from the electrified suburban services, thereby increasing the rail network's overall capacity and reliability.

In addition, Labor also delivered major upgrades to the M80 Ring Road, Princes Highway East, Princes Highway West, the Western Highway and the interstate rail freight network.