



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2014-2015

Brendan Smyth MLA (Chair), Mary Porter MLA (Deputy-Chair),
Giulia Jones MLA, Yvette Berry MLA

ANSWER TO QUESTION TAKEN ON NOTICE DURING PUBLIC HEARINGS

Asked by Ms Jones on 27 June 2014: Minister Barr took on notice the following question(s):

[Ref: Hansard Transcript 27 June 2014 [PAGE 1189]]

In relation to:

Capital infrastructure program—industry indicators to estimate number of jobs associated with a capital spend—provide MBA and Infrastructure partnerships Australia estimator information.

Mr Barr: Yes. We have got an indication in the across-the-board estimates period of around 1,000 to 2,000 jobs associated. There will be peaks and flows, depending on the nature of individual projects.

In the context of the third and fourth outyears of the budget, there will be difficulty forecasting exact numbers at this point, because the projects are just in the forward design or business case development phase. There is certainly a series of industry indicators around the approximate number of jobs associated with a capital spend. For every \$10 million of spend on a particular type of infrastructure project, you would expect a certain level of employment. That is pretty consistent across Australia, in terms of how infrastructure projects are delivered. I can make something available to the committee—I think the MBA and Infrastructure Partnerships Australia may have done some work on this—in terms of giving a rough estimator. Then, of course, as projects are in their more detailed delivery phase, we get a better sense of the exact nature of which trades, which particular elements, will attract new job opportunities.

That is recognising, Mrs Jones, that there is a pipeline of activity here. A good long-term measure of the success of an infrastructure program will be the overall level of jobs in, say, the construction sector or the professional services sector in the economy. We get fairly regular snapshots of that undertaken by the ABS. I know from looking at these figures over the last five years, in particular, that we have seen growth in a number of construction jobs in the territory economy and that our professional services area is also growing. We publish a construction snapshot that gives a sense of what is happening, and we have a 10-year infrastructure program. And there is reporting quarterly in relation to our capital works.

MRS JONES: Thank you, minister.

Mr Barr: It is the most extensive level of reporting on infrastructure—

MRS JONES: I do not know if it is or not.

Mr Barr: If you are not reading it, Mrs Jones, I cannot help you.

MRS JONES: I do not actually appreciate the inferences. In this committee, I have so far been laughed at; I have had eyes rolled at me; I have been spoken to sarcastically by another minister; I have been told that I am unable to remember what has occurred in a brief by yet another minister. I would expect a certain level of kindness extended to members of the opposition who ask questions.

Mr Barr: It sounds like a pattern of behaviour to me, but anyway.

MRS JONES: I would like to add to that, given what you have just said. Are you stating that the 1,200 is a rough estimate based on MBA calculations or do you have your own calculation as to the 1,200?

Mr Barr: The government has estimated between one and 2,000, not 1,200.

MRS JONES: Thank you. Would you be able to supply the committee with the calculations that you have used to come to that?

Mr Barr: No, I will not supply the committee with the calculations, but I will supply the committee with information that will assist you in relation to how those estimations are undertaken.

MRS JONES: Have you determined in which years you expect which numbers of jobs to occur in the outyears or is that just a nominal level that you have gone to? I am just looking for information, Mr Barr.

Mr Barr: We will provide information to you in a way that meets the intent of the question that you are asking, Mrs Jones.

MRS JONES: I hope so, yes.

MINISTER BARR: The answer to the Member's question is as follows:—

As indicated in Budget Paper 2 (pg 17), a rule of thumb estimate across the entire infrastructure and capital program is that this will generate thousands of jobs each year. Specific project by project employment (either direct or indirect) are not estimated.

Approved for circulation to the Select Committee on Estimates 2014-2015

Signature: 

Date: 4.7.14

By the Minister for Economic Development, Andrew Barr MLA