

Boom bust cycle creates opportunities

The Chinese character for the word crisis is made up of two symbols, the first means danger, the second opportunity. The Western Australian State budget is reaching a crisis point, with the AAA credit rating sailing off over the horizon, debt growing and interest costs mounting. The opportunity from this crisis is to rethink future budget priorities.

The Government's deficit and projected \$41 billion debt won't be fixed by selling state assets nor by cutting back public infrastructure. It will be fixed by sustained work to reduce day to day costs of providing public services and growing the economy to generate a healthy operating surplus.

While this work is being done, the opportunity is to develop a new program of infrastructure projects. As the Chinese have shown, state infrastructure, well provided, is the basis on which the economy successfully grows. Locally, hospitals, schools, public spaces and the major stadium have been the focus in recent years.

Transport has lacked a cohesive plan. On the cusp of the election, the government released a transport plan for the future containing a shopping list of projects to be delivered between now and mid-century. Labor's platform is Metronet - primarily a heavy rail solution to a far more complex set of challenges.

Now is the time for both sides of politics to adopt a fresh approach to planning and funding transport infrastructure projects. This will require a reallocation of priorities so we don't keep going further into debt - it's costing us dearly and it's unfair to leave future generations unduly burdened with "our" debt. We must rethink funding streams to ensure the delivery of infrastructure projects to guarantee Perth's mobility future.

In November, the Committee for Perth released its Get a Move On! report which concluded, any public transport plan for the future must integrate land use, economic development and population growth to deliver a comprehensive mobility network for the region to function efficiently. It found there is more than enough money to achieve these goals if the planning is rigorous and community focused.

For instance, each year Main Roads and the Department of Transport receive more than \$1.6 billion in capital funds from a total capital program of almost \$6 billion. Over the course of a government's four year-term, that's more than \$6.4 billion. With Main Roads getting the lions' share of the money at more than \$1 billion every year, a simple redistribution could deliver a better, integrated public transport system that will reduce congestion. Continuing to build roads without a commensurate investment in public transport in order to ease congestion is like loosening your belt to lose weight.

The case for increasing Transport's share of total infrastructure funding is also compelling, especially with improved planning processes. Politicians need to have a less partisan view when it comes to public transport. Our leaders must have a vision that stretches beyond two terms, where all projects are based on detailed cost-benefit studies and funded through forward estimates. The next government should develop an integrated transport plan that delivers the best results to get between home to work and study, and at the same time increase density around major transport hubs to create greater transport efficiency.

The government also needs to be more aggressive in putting forward congestion busting projects to Infrastructure Australia. Western Australia has only one project, the Perth Freight Link, in the top 10 projects in the national infrastructure process.

And a fresh look is needed at funding options. Public private partnerships are new to WA but it should be possible to adopt the better features of this funding approach here. As should other revenue sources, including value capture and road user charging measures. One thing is clear from the more than 2,000 commuters that were surveyed for the Get a Move On! project, penalties cannot be applied until alternative forms of transport are readily available.

If we are to remain one of the most liveable cities in the world we must deal with the public transport demands in an imaginative way that also suits our tough fiscal times.

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