

Bus Industry Confederation Budget Report 2008

The Rudd Government's first budget didn't pull any great surprises in the area of infrastructure and transport, with a focus on honouring commitments by the previous Government and election promises.

There were encouraging signs for public transport in the inaugural Rudd budget, with indications that the new Government is looking for avenues to play a hand in public transport planning and promotion, and public transport infrastructure development.

In the question time following the budget Minister for Infrastructure, Transport, Regional Development and Local Government said the budget was a "...Loud announcement that the Commonwealth is back in the business of our cities and that we will engage in infrastructure in our cities **including public transport.**"

In the year ahead of the next budget the BIC will continue to communicate the industry's key messages regarding the need for Federal Government involvement in public transport and work with the Government and governance structures set up through this budget, through the Australian Transport Council and the National transport commission to provide public transport solutions for the problems of climate change, urban congestion and social exclusion.

The key infrastructure and transport elements of the budget included:

- \$20 billion for nation building projects through the Building Australia fund.
- Tackling urban congestion and planning
- Infrastructure reform through the development of Infrastructure Australia.
- Infrastructure investment.

An initial \$20 billion for nation-building projects through the Building Australia Fund

Nation building which was a focus of the ALP ahead of the 2007 Federal election and in their 2007 Policy Platform saw the largest spending promises with the Building Australia Fund collecting a large windfall in spending commitments. The details of where the money will be spent were not specified and will be revealed over time.

Spending commitments are as follows:

- Will be used to build critical economic infrastructure; roads, rails, ports and broadband networks.
- The fund will be operational by 1 January 2009
- First allocations through the fund to be made in 2009-10
- The funds sourced from the budget surpluses in 2007-08 and 2008-09

Tackling Urban Congestion and Planning

Urban, congestion and planning, a key focus area of BIC's Lobbying to the Federal Government ahead of the Federal Election and following it, featured in spending commitments from the Rudd Government. Funding will focus on studies in major cities designed to provide solutions to the growing problem of urban congestion.

While there is no direct funding for public transport projects in the Budget, the funding for studies may form an interesting first step of an overall strategy for the Federal Government to work in closer cooperation with the states in the planning and development of public transport systems.

The spending commitments are as follows:

- Total investment of \$132.5 million for State Governments to undertake studies into the viability of infrastructure projects.
- \$20 million in 2007-08 into a feasibility study into the Western Metro (Green Line) between Parramatta and the CBD.
- \$5 million in 2007-08 into a study to potential improvements into the M5 corridor from Port Botany to Southwest Sydney.
- \$12 million in 2007-08 into a study to assess projects identified in the *Investing in Transport-East West Link Needs Assessment*, prepared by Sir Rod Eddington.
- \$9 million in 2007-08 into planning, traffic modelling and other works for the Western Ring Road.
- \$3 million in 2007-08 into a transport sustainability study for Adelaide to identify improvements needed for public transport networks, road networks, traffic management, land use and demand management.
- \$3 million in 2007-08 to develop a strategic framework for transport networks servicing Perth Airport.
- \$13 million for a number of planning studies to enable the upgrade of the Bruce Highway.
- Better Regions
 - Part of the \$176 million allocated under the Better Regions program for 2008-09 to be invested in community transport infrastructure.

Infrastructure Reform

Infrastructure Australia touted as the Rudd Government's think tank on infrastructure projects, both current and for the future has been given life in the budget.

The initial \$20 million will get the ball rolling on Infrastructure Australia and allow the body to assess infrastructure needs and form a plan for future infrastructure projects.

The national audit of infrastructure to be undertaken by Infrastructure Australia is likely to include public transport infrastructure in its bailiwick. The BIC will work closely with the new body to identify problem areas in public transport in major cities and regional centres.

- \$20 million allocated to funding Infrastructure Australia to develop a strategic blue print for easing bottlenecks and long-term infrastructure needs.
- Infrastructure Australia will undertake a national audit of infrastructure and determine the capacity and state of nationally significant infrastructure.

Infrastructure Investment

A large part of the infrastructure investment outlined in this year's budget relate to commitments made by the previous Government and spending commitments made during the election campaign. Extra funding was provided to speed up the realisation of existing projects and start new projects earlier than planned.

- \$3.2 billion in road and rail projects across Australia in 2008-09.
- Starting the Ballina and Bulahdelah bypasses on the Pacific Highway, the Great Western Highway between Penrith and Katoomba and the Alstonville bypass in Northern New South Wales.
- Improving capacity on the Westgate Bridge and starting stage 4a of the Geelong Ring Road.
- Finishing the Townsville Port Access Road up to two years early and further work on the Ipswich Motorway and Bruce Highway.
- \$118.8 million to achieve completion of the Northern Expressway by 2010.
- \$936.9 million for local councils to maintain and improve local roads.
- \$192 million for the national rail network
- Australian Rail Track Corporation to invest \$780 million in major rail projects.
- \$50.5 million to eliminate black spots and improve road safety.