Decision to commit funding to the Perth Freight Link project Submission 5

From: Peter Newman

Sent: Friday, 21 August 2015 6:46 PM

To: RRAT, Committee (SEN)

Subject: Submission on Perth Freight Link

Dear Sir

Reference: Inquiry into the decision to commit funding to the Perth Freight Link project

I attach a detailed report that I wrote for the Fremantle Council on the Perth Freight Link.

I would also like to add some perspective on how the funding was committed on the Perth Freight Link.

I was appointed to the Board of Infrastructure Australia from its origin in 2008 to 2014. I was part of the process that set up the guidelines for assessing transport projects and helped to develop the pipeline of projects which became the main task of IA and enabled the Federal Government to have enough confidence that they were funding good projects. By the end of my time on IA we had seen the commitment of funds to all of the top projects on our pipeline. At no stage did the Perth Freight Link appear anywhere near this list, it was not anywhere to be seen, even as a conceptual idea.

The Federal Government's commitment to only fund urban roads and not fund urban rail was a political commitment, not in anyway associated with IA who found many extremely good economic projects in Australian cities that were urban rail. As it became evident that there would be more money for urban roads whether or not they were economically assessed by IA, there was a flurry of activity in the States. In WA it appears that the Perth Freight Link was born out of this context. As you will see in my report attached there was no plan to create this PFL in any of the WA State Government Plans conducted to that point. The only plan was to provide access for road and rail to the new Outer Harbour that would be needed within at least ten years.

So where did this idea come from?

This road has come out of a political intervention to satisfy the Mayor of Melville Council and the Member for the State seat of Riverton who both ran extensive campaigns on removing trucks from

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their electorates. This is legitimate politics but it does not mean that an economically sensible decision has been made to create a toll road that takes trucks around their area.

The economic, social and environmental consequences of this decision are now becoming obvious. It was not a well considered and planned project. It was dropped from the sky to solve an isolated political issue. The political consequences of this decision will now be seen and will be regretted.

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