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West Australian
Thursday 19/12/2013
Page: 1
Section: General News
Region: Perth Circulation: 178,385
Type: Capital City Daily
Size: 414.95 sq.cms.
Frequency: MTWTF--

DERAILED

Election train promises shunted to distant future

Gareth Parker and Phoebe Wearne

The Barnett Government has abandoned a key election promise — the $2 billion MAX light rail system — until after the next election in 2017, dumping a commitment to have it up and running by 2018.

And the timeline of its other big transport promise — the $1.9 billion airport and Forrestfield heavy rail line — has slipped two years from its election promise and will not operate until 2020.

The decisions were in a mid-year economic review that commits the Government to slash $1.9 billion from its infrastructure program over the four years to June 2017 while presiding over big spending blowouts in health, education, law and order and electricity subsidies.

Premier Colin Barnett and Treasurer Troy Buswell characterised the decisions as a responsible reaction to changed circumstances but the Opposition said the public had the right to feel angry and betrayed.

"I can happily look people in the eye and say that we are making the decisions that I think we need to make to sensibly manage the State's finances," Mr Buswell said.

"I would suggest that irrespective of whom had won the last State election, given the nature of the commitments in the transport space, somebody was going to be standing here having a conversation with the people of WA."

Mr Buswell said the Government would "delay" the 22km MAX light rail system, which is to run from Mirrabooka to the city and east-west between the QEII medical centre and Victoria Park, by three years but claimed the Government remained "committed" to a project that would not be built until 2022.

Opposition Leader Mark McGowan said the mid-year review was "a devastating document for WA families".

He said the Premier lied to the people of WA to get their votes.

"They knew the state of the books, they knew the cost of these promises, they knew what was going on and they made promises anyway knowing they were going to break those promises," Mr McGowan said.

Treasury now projects a slightly bigger operating surplus for 2013-14 of $437 million compared with $386 million in August.

Revenue is up $289 million on the August forecast and is now projected to be 9.9 per cent higher than 2012-13.

Spending, however, is up

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Train promises derailed

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nearly as much, blowing out $238 million since August.

The Government has had to find an extra $191 million this year and $440 million over four years for the Health Department for costs including at the Fiona Stanley and Perth children's hospitals and for its failure to meet its leave liability cap.

The Government also expects to spend a further $558 million over four years subsidising energy retailer Synergy after solar panels, households' slashing power use and contracts which require it to pay for energy it does not sell decimated its revenue.

The Education Department will get an extra $80 million over two years to fund an unanticipated growth in enrolments.

The cost of 1000 Government voluntary redundancies blew out $32 million after the average payout cost was $132,000 — $32,000 higher than expected.

New elements in Mr Buswell so-called "fiscal action plan" are the infrastructure spending cuts of $1.9 billion over four years and 10 per cent less temporarily for agencies' procurement budgets.

Local governments will get $70 million less for roads over four years, with the Government to pocket a windfall from record vehicle registrations rather than pass on a percentage under an agreement with councils.

Ref: 228790489


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