**'Written Question with Notice' for** [**Question Time**](https://www.aph.gov.au/About_Parliament/House_of_Representatives/Powers_practice_and_procedure/Practice7/HTML/Chapter15/Question_Time) **from the**[**Shadow Treasurer**](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/Parliamentary_Handbook/Shadow) **for attention of the Federal Treasurer**

In order to avoid at least one billion Australian dollars not being further wasted annually from amongst the [**$125 billion *circa* monies funded by the Commonwealth to the States annually**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\StateGovtRailInfrastructure\CommGovtFundingStates\CommonwealthGovtFundingStates.pdf)**,** and relying on [**SECT 96**](http://www8.austlii.edu.au/cgi-bin/viewdoc/au/legis/cth/consol_act/coaca430/s96.html)and [**SECT 98**](http://www8.austlii.edu.au/cgi-bin/viewdoc/au/legis/cth/consol_act/coaca430/s98.html) of Australia's Constitution, will the Commonwealth Government enact new laws to -

1.       compel Australia's State Governments to submit a [**Conforming Cost-Benefit Analysis**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\StateGovtRailInfrastructure\Defined_Terms\Conforming_Cost-Benefit_Analysis.htm) to the [**Productivity Commission**](http://www.pc.gov.au/) for each proposed new rail infrastructure project with a forecast *Capex* that exceeds $20,000,000 in ample time prior to [**Financial Close**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\StateGovtRailInfrastructure\Defined_Terms\Financial_Close.htm);

2.       obligate the [**Productivity Commission**](http://www.pc.gov.au/)toaudit each submitted[**Conforming Cost-Benefit Analysis**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\StateGovtRailInfrastructure\Defined_Terms\Conforming_Cost-Benefit_Analysis.htm)for each State Government's rail infrastructure project with over $100,000,000 in *Capex* well before [**Financial Close**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\StateGovtRailInfrastructure\Defined_Terms\Financial_Close.htm) and allocate and publish *in the public domain* a credibility score out of 100 points; and

3.       require each State Government to publish on its State Transport website each [**Conforming Cost-Benefit Analysis**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\StateGovtRailInfrastructure\Defined_Terms\Conforming_Cost-Benefit_Analysis.htm)at least one year prior to the proposed[**Financial Close**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\StateGovtRailInfrastructure\Defined_Terms\Financial_Close.htm)that it has submitted to the [**Productivity Commission**](http://www.pc.gov.au/) to facilitate [**Community Consultation**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\StateGovtRailInfrastructure\Defined_Terms\Community_Consultation.htm)?

**Reason for the above Written Question With Notice for the   
Federal Treasurer**

[**Annexure A**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\StateGovtRailInfrastructure\CBA\Annexure_A.htm)provides a welter of evidence ostensibly from investigative journalists, but also from the NSW State Auditor General and other Government investigations, that Australia's States have embarked upon major rail infrastructure projects in recent years, resulting in many billions of dollars of *Public Purse* cost blowouts because the States do not have the Cost-Benefit Analysis engineering and financial analyst resources.   Seemingly these projects were predicated upon Keynesian economic theory to spend on infrastructure projects to stimulate a flagging economy.  Transport Minister, Andrew Constance's enthusiasm for rail infrastructure projects, specifically “[**We’re building an entire network ........ It’ll drive us out of recession**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\StateGovtRailInfrastructure\SMH\decade_in_power.htm)”, ignores the first rule of Keynesian Economics that Govt initiated public works programs to stimulate a flagging economy, must have a Cost-Benefit Analysis with a robust positive NPV.  In laymen's language, if you expend $10,000,000,000 over say three years to build a new rail network, and Operating/Administration costs over say 30 years are $3,000,000,000, then the [**NPV**](https://www.investopedia.com/terms/n/npv.asp) of future fare revenues, based on at least 20 years of projected cashflows, needs to exceed $13,000,000,000.

[**Annexure A**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\StateGovtRailInfrastructure\CBA\Annexure_A.htm)evidencesthat constructions costs estimates have too often been too low, completion dates much later than forecast and that patronage/usage/passenger forecasts relied upon involved too much unscientific/optimistic *blue sky,* with an over reliance upon *build it and they will come*.  But passengers didn't come in the numbers forecast.

[**Chapter IV. Finance And Trade of the Constitution of Australia**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter4), in particular [**SECT 96 'Financial assistance to States'**](http://www8.austlii.edu.au/cgi-bin/viewdoc/au/legis/cth/consol_act/coaca430/s96.html)**,** authorises the Australian

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(Commonwealth) Parliament to "...grant financial assistance to any state on such terms and conditions as the Parliament sees fit."

*Ipso facto*, because of the many billions of dollars of cost blow outs of fiscal grants from the Federal Government in recent years under [**SECT 96 'Financial assistance to States'**](http://www8.austlii.edu.au/cgi-bin/viewdoc/au/legis/cth/consol_act/coaca430/s96.html), obligations under the below [**SECT 51(i)**](http://www8.austlii.edu.au/cgi-bin/viewdoc/au/legis/cth/consol_act/coaca430/s51.html) and in particular [**SECT 98**](http://www8.austlii.edu.au/cgi-bin/viewdoc/au/legis/cth/consol_act/coaca430/s98.html) of the Australian Constitution behoove the Commonwealth Govt to enact new laws to '*Centralise*' *an arm's length* responsibility to the most skilled Commonwealth Govt agency at evaluating what are and what are not cost effective rail infrastructure projects, by legislating that the six States must submit a [**Conforming Cost-Benefit Analysis**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\StateGovtRailInfrastructure\Defined_Terms\Conforming_Cost-Benefit_Analysis.htm) (to the Productivity Commission) for each future rail infrastructure project with projected *Capex* to exceed $20,000,000 in ample time prior to [**Financial Close**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\StateGovtRailInfrastructure\Defined_Terms\Financial_Close.htm)that will -

a)      save the various States' *Public Purse* at least $1,000,000,000 annually, and

b)      materially reduce embarrassment that falls upon State Premiers, Deputy Premiers and Transport Ministers when significant cost blowouts and project delays ([**Annexure A**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\StateGovtRailInfrastructure\CBA\Annexure_A.htm)) are exposed in Australia's free press.

The afore-mentioned is explained in the [**Writer's**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\StateGovtRailInfrastructure\Writer\The_Writer_.htm)  [**Discussion Paper**](file:///F:\Documents\My%20Web%20Sites\Muggaccinos\StateGovtRailInfrastructure\Discussion_Paper_31-Mar-21.htm).

Below are extracts from "[**Report highlights cost overruns on major infrastructure projects**](https://www.roadsonline.com.au/report-highlights-cost-blowouts-on-major-infrastructure-projects/)" - [Lauren Jones](https://www.roadsonline.com.au/author/lauren-jonesprimecreative-com-au/) - [Nov 11, 2020:](https://www.roadsonline.com.au/report-highlights-cost-blowouts-on-major-infrastructure-projects/)

"[**A report released by the Grattan Institute**](https://grattan.edu.au/report/the-rise-of-megaprojects-counting-the-costs/) has found over the past two decades, Australian governments spent $34 billion more on transport infrastructure than first stated.

The report has found of the nine transport infrastructure projects over $5 billion dollars in Australia, six have suffered cost blow outs adding up to $24 billion.

In a press release the institute stated some examples. Inland Rail from Melbourne to Brisbane was costed at $4.4 billion in 2010; it’s now estimated to cost $9.9 billion.  The Sydney Metro City & Southwest Rail was costed at $11 billion in 2015; this year the NSW Government announced the latest cost estimate is $15.5 billion.

An analysis, in the report, of all projects valued at over $20 million or more built in the last 20 years shows that the actual costs exceeded promised costs by 21 per cent."

[**In April 2016, the Victorian Government signed an in-principle agreement with Transurban to build the West Gate Rail Tunnel, at an expected cost of $5.5 billion. The expected benefit cost ratio was 1.1.25 .  The expected cost has increased to $6.7 billion.  The latest publicly available estimate of the benefit cost ratio, in 2018, put it at 1.0**](https://grattan.edu.au/wp-content/uploads/2020/11/The-Rise-of-Megaprojects-Grattan-Report.pdf)

[**The rise of megaprojects: *counting the costs***](https://grattan.edu.au/report/the-rise-of-megaprojects-counting-the-costs/)- Grattan Institute -   Marion Terrill, Owain Emslie and Greg Moran  -  8 Nov 2020