1305, 12 Glen St - *The Pavilion on the Harbour'*Milsons Point  NSW  2061

**scribepj@bigpond.com** 0434 715.861

8 March 2021

Matt O'Sullivan**mosullivan@smh.com.au**
City Editor at The Sydney Morning Herald

1 Denison St,
North Sydney NSW 2060

Dear Matt

**\*** [**Section 51(i)**](http://www8.austlii.edu.au/cgi-bin/viewdoc/au/legis/cth/consol_act/coaca430/s51.html) **and** [**Section 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 legislation to 'Centralise' responsibility upon 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 and two Territories must submit (to the Productivity Commission in ample time prior to Financial Close) a** [**Conforming**](http://muggaccinos.com/StateGovtRailInfrastructure/Defined_Terms/Conforming_Cost-Benefit_Analysis.htm)[**Cost**](http://muggaccinos.com/StateGovtRailInfrastructure/Defined_Terms/Conforming_Cost-Benefit_Analysis.htm)**-**[**Benefit**](http://muggaccinos.com/StateGovtRailInfrastructure/Defined_Terms/Conforming_Cost-Benefit_Analysis.htm)[**Analysis**](http://muggaccinos.com/StateGovtRailInfrastructure/Defined_Terms/Conforming_Cost-Benefit_Analysis.htm) **for all proposed rail infrastructure projects with forecast *Capex* that exceeds $20,000,000**

**\*     For those rail infrastructure projects over $100,000,000 *Capex*,** **the Productivity Commission** **would, *at arm's length,* allocate a score out of 100 points on the pertinent** [**Conforming**](http://muggaccinos.com/StateGovtRailInfrastructure/Defined_Terms/Conforming_Cost-Benefit_Analysis.htm)[**Cost**](http://muggaccinos.com/StateGovtRailInfrastructure/Defined_Terms/Conforming_Cost-Benefit_Analysis.htm)**-**[**Benefit**](http://muggaccinos.com/StateGovtRailInfrastructure/Defined_Terms/Conforming_Cost-Benefit_Analysis.htm)[**Analysis**](http://muggaccinos.com/StateGovtRailInfrastructure/Defined_Terms/Conforming_Cost-Benefit_Analysis.htm) **based on the** [**Nine Steps of Cost-Benefit Analysis**](http://muggaccinos.com/StateGovtRailInfrastructure/Defined_Terms/Conforming_Cost-Benefit_Analysis.htm)

**\*     In 2009 the Productivity Commission offered to perform the above two responsibilities *"***[***to be a centre of excellence for cost–benefit analysis within the Australian Government***](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CProductivityCommission%5CCentreOfExcellence.jpg)***"***

There would be few people that would have seen *first-hand* so many cases of poorly planned and appraised major infrastructure projects, than yourself.  Those infrastructure projects have burnt too much of the *Public Purse,* thereby impinging upon providing other social utilities.

I have recently expended at least 100 hours preparing a [**Discussion Paper**](http://muggaccinos.com/StateGovtRailInfrastructure/Discussion_Paper_9-Mar-21.htm)regarding the aforementioned three bullet points that commences by -

a)      informing that [**the Writer, worked for CBA for 37 years; the latter half in infrastructure finance**](http://muggaccinos.com/StateGovtRailInfrastructure/Writer/The_Writer_.htm); and

b)      providing a welter of **'**[**critical reports' and 'fault finding newspaper articles' that chronicle that billions of taxpayer funded dollars have been squandered annually on poorly planned and inadequately appraised *'rail infrastructure projects'* resulting in cost blowouts, completion delays and usage/patronage paucity.**](http://muggaccinos.com/StateGovtRailInfrastructure/Cost-Benefit_Analysis_format/Wealth_of_reports_chronicle_that_billions.htm)

My [[**Discussion Paper**](http://muggaccinos.com/StateGovtRailInfrastructure/Discussion_Paper_9-Mar-21.htm)](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDiscussion_Paper_9-Mar-21.htm)-

A)      informs that[**Australian Government financial payments effectively support about 46 per cent of Australia's six states' annual fiscal revenue expenditure**. **"In aggregate, the States were estimated to receive Australian Government payments of $127.4 billion in 2019–20"**](http://muggaccinos.com/StateGovtRailInfrastructure/CommonwealthGovtFundingStates/CommonwealthGovtFundingStates_bp3_01_states.pdf);

B)      contends that, pursuant to [**Section 51(i)**](http://www8.austlii.edu.au/cgi-bin/viewdoc/au/legis/cth/consol_act/coaca430/s51.html)and[**Section 98**](http://www8.austlii.edu.au/cgi-bin/viewdoc/au/legis/cth/consol_act/coaca430/s98.html)of the Australian Constitution, the Commonwealth Govt is obligated to enact legislation to 'Centralise' responsibility upon 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 (to the Productivity Commission in ample time prior to Financial Close) a [**Conforming**](http://muggaccinos.com/StateGovtRailInfrastructure/Defined_Terms/Conforming_Cost-Benefit_Analysis.htm)[**Cost**](http://muggaccinos.com/StateGovtRailInfrastructure/Defined_Terms/Conforming_Cost-Benefit_Analysis.htm)**-**[**Benefit**](http://muggaccinos.com/StateGovtRailInfrastructure/Defined_Terms/Conforming_Cost-Benefit_Analysis.htm)[**Analysis**](http://muggaccinos.com/StateGovtRailInfrastructure/Defined_Terms/Conforming_Cost-Benefit_Analysis.htm)for all proposed rail infrastructure projects with forecast *Capex* that exceeds $20,000,000; and

C)     seeks the Productivity Commission to 'score/rank' all [**Conforming**](http://muggaccinos.com/StateGovtRailInfrastructure/Defined_Terms/Conforming_Cost-Benefit_Analysis.htm)[**Cost**](http://muggaccinos.com/StateGovtRailInfrastructure/Defined_Terms/Conforming_Cost-Benefit_Analysis.htm)**-**[**Benefit**](http://muggaccinos.com/StateGovtRailInfrastructure/Defined_Terms/Conforming_Cost-Benefit_Analysis.htm)[**Analysis**](http://muggaccinos.com/StateGovtRailInfrastructure/Defined_Terms/Conforming_Cost-Benefit_Analysis.htm) for allproposed rail infrastructure projects, pursuant to [**Section 98**](http://www8.austlii.edu.au/cgi-bin/viewdoc/au/legis/cth/consol_act/coaca430/s98.html)**,** with forecast *Capex* that exceeds $100,000,000.

Below is an extract from my [[**Discussion Paper**](http://muggaccinos.com/StateGovtRailInfrastructure/Discussion_Paper_9-Mar-21.htm)](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDiscussion_Paper_9-Mar-21.htm)takenfrom [**Trains, pains and Berejiklian**](https://www.themonthly.com.au/issue/2019/march/1551445200/paddy-manning/trains-pains-and-berejiklian#mtr) - The Monthly - [**Paddy Manning**](https://www.themonthly.com.au/node/199519) - March 2019 where a former member of the state government’s expert advisory panel makes damming allegations of fiscal wastage and conflicts of interest:

"[**Transport planner Dr Michelle Zeibots, a research director at the University of Technology Sydney, is a former member of the state government’s expert advisory panel and believes there is a deeper malaise in New South Wales**. **Transport projects are being designed and commissioned, she says, for the benefit of construction contractors and private investors**, **rather than the public**.  Zeibots goes on to say that when Berejiklian was transport minister she promised to put customers at the centre of everything, **but Liberal Party heavyweights like former premier Nick Greiner and former Business Council chief Tony Shepherd strongarmed the Coalition into projects such as WestConnex**](https://www.themonthly.com.au/issue/2019/march/1551445200/paddy-manning/trains-pains-and-berejiklian#mtr).

“[**The desires of the construction sector were put front and centre, leaving Berejiklian’s customer service vision to wither.  Most of the big-spend transport projects are about feeding industry, not serving customers and the community.** People can feel this.  The big spending has become an insult to most people’s intelligence … **Adding insult to injury, Australians are paying three times more for comparable infrastructure projects than other industrialised nations.  And for all the public investment, commuters and passengers get poor outcomes**](https://www.themonthly.com.au/issue/2019/march/1551445200/paddy-manning/trains-pains-and-berejiklian#mtr).”

My [**Discussion Paper**](http://muggaccinos.com/StateGovtRailInfrastructure/Discussion_Paper_9-Mar-21.htm)finishes by asking the below Questions:

1.      How many of the $120 billion p.a. *circa* that the Commonwealth Govt has funded to the States annually would have been better expended, had the Commonwealth Govt. accepted back in 2009 the [**Productivity Commission's**](http://www.pc.gov.au/)offer to be '*a centre of excellence for cost–benefit analysis*'?

2.       Had the Productivity Commission been so appointed, would it have -

           i)       challenged the rationale/economics/logic of providing a juxtaposed rail system between Circular Quay and Central Railway;

         ii)      recommended that George Street be restricted to Govt buses only by diverting all cars etc to nearby roads, seemingly at about 10% of the cost of the CSELR light rail provision and operating costs over the next 50 years; and

         iii)     asked TfNSW to provide the annual patronage forecasts (at least 20 years of
 Operations) that calc'd that CSELR would achieve
 [**almost $4 billion worth of benefits**](http://muggaccinos.com/StateGovtInfrastructureProjects/EastSydneyLightRail/LeglislativeCouncil_SydneySW_light_rail_investigation.htm)?

***Winners and Losers***

The biggest *Winners* from the Commonwealth Govt legislating that the States submit a [**Conforming Cost-Benefit Analysis**](http://muggaccinos.com/StateGovtRailInfrastructure/Defined_Terms/Conforming_Cost-Benefit_Analysis.htm) for allproposed rail infrastructure projects with forecast *Capex* beyond $20,000,000 to the Productivity Commission, relying upon [**Section 98**](http://www8.austlii.edu.au/cgi-bin/viewdoc/au/legis/cth/consol_act/coaca430/s98.html), would be the State Premiers, Deputy Premiers, Transport Ministers, the Federal Treasurer and Australia's taxpayers.  The biggest *Losers* would be the major transport infrastructure companies.

State politicians would be less likely to make premature announcements until their
[**Conforming Cost-Benefit Analysis**](http://muggaccinos.com/StateGovtRailInfrastructure/Defined_Terms/Conforming_Cost-Benefit_Analysis.htm)**,** including a[**Base Case Financial Model**](http://muggaccinos.com/StateGovtRailInfrastructure/Defined_Terms/base_case_financial_model.htm)**,** was robust  because the Productivity Commission would opine on it.

**Conclusion**

The Australian Constitution, specifically [**Section 98**](http://www8.austlii.edu.au/cgi-bin/viewdoc/au/legis/cth/consol_act/coaca430/s98.html)**,** obligate the Commonwealth Govtto enshrine in legislation B) and C) above. [**Critical reports and fault-finding newspaper articles**](http://muggaccinos.com/StateGovtRailInfrastructure/Cost-Benefit_Analysis_format/Wealth_of_reports_chronicle_that_billions.htm)chronicle thatAustralia's States do not possess the specialist skills to appraise
[**Cost-Benefit Analysis**](https://www.projectmanager.com/blog/cost-benefit-analysis-for-projects-a-step-by-step-guide) and the robustness of the [[**Base Case Financial Model**](http://muggaccinos.com/StateGovtRailInfrastructure/Defined_Terms/base_case_financial_model.htm) t](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5Cbase_case_financial_model.htm)hat forecasts future costs/revenues to calc the [**Net Present Value**](https://www.investopedia.com/terms/n/npv.asp) and [**Internal Rate of Return**](https://www.investopedia.com/terms/i/irr.asp)**.** The Productivity Commission does.

I would like to marshal support for such binding legislation from concerned Australians and
N-F-Ps, not limited to SMH, The Monthly, [**www.fixnswtransport.com/issues.html**](http://www.fixnswtransport.com/issues.html),
[**EcoTransit Sydney**](https://ecotransit.org.au/wp/about/)**,** [**Transport Sydney**.](https://transportsydney.wordpress.com/about/)  I have not previously written to, or spoken with, any other journalist about the information contained herein.  I opted to approach you *first-up* because -

\*       of the opening paragraph of this letter; and

\*       I have paid $15 p/m to the SMH for many years because of the valuable role the SMH plays in investigative journalism - enormously valuable to Australia's 25.5 mil citizens.

I welcome your thoughts on my afore-mentioned proposal involving new Commonwealth Govt legislation that I expect would have the support of [**former top NSW rail executive Dick Day**](https://www.smh.com.au/national/nsw/how-4-billion-blowout-puts-sydney-s-transport-plans-on-the-line-20200206-p53y7u.html), [**Mehreen Faruqi, who has a doctorate in engineering and former director of Professionals Australia, Paul Davies**](https://www.smh.com.au/national/nsw/how-did-gladys-make-such-heavy-work-of-light-rail-20180629-p4zohz.html).

Yours sincerely



Philip J Johnston