Unit 5, 13-15 Stokes St, Lane Cove North  NSW  2066

**scribepj@bigpond.com** 0434 715.861

[**Defined Terms and Documents**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CDefined_Terms.htm)[**Discussion Paper**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDiscussion_Paper.htm)[**Written Question With Notice**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CCommGovtFundingStates%5CWritten_Question_for_Question_Time.htm)[**Annexure A**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CCBA%5CAnnexure_A.htm)[**Annexure B**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CAnnexure_B.htm)

28 March 2022

Mr. John Alexander

Chair of Standing Committee on Infrastructure, Transport and Cities

PO Box 872
Epping, NSW 2121

Dear Mr. Alexander

**A highly skilled Federal Govt Commission has previously offered to appraise the associated**[**Conforming Cost-Benefit Analysis**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CConforming_Cost-Benefit_Analysis.htm) **for each proposed large transport infrastructure project**

**A Two Step Solution to require State and Territory Governments to provide a** [**Conforming Cost-Benefit Analysis**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CConforming_Cost-Benefit_Analysis.htm) (**to the** [**Productivity Commission**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CProductivityComm%5C01-infrastructure-overview-preliminaries.docx)**at least six months prior to** [**Financial Close**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CFinancial_Close.htm)) **for each future infrastructure project with projected *Capex* that exceeds $20,000,000  -  Initially restricted to proposed *'rail infrastructure projects'*, because *"one needs to crawl before one can walk!"***

**In 2009 a landmark Productivity Commission paper** [**6. Evaluating major infrastructure projects: how robust are our processes?**](https://www.pc.gov.au/research/supporting/strengthening-evidence/08-chapter6.pdf) **-** [**published on the Productivity Commission website**](https://www.pc.gov.au/research/supporting/strengthening-evidence/08-chapter6.pdf) **-**

**A.     identified concerns about Australia's six State Governments' incapacity to undertake robust**[**Cost-Benefit Analysis**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CAust%5C006-Cost-benefit-analysis.pdf) **for prospective transport and communications infrastructure projects; and**

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

**In July 2014 the Productivity Commission published** [**Productivity Commission Inquiry Report into Public Infrastructure**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CProductivityComm%5C01-infrastructure-overview-preliminaries.docx) **with recommendations to bringing down costs of infrastructure projects and minimise delays.  The report highlighted that whilst efficient infrastructure provides services which both improve productivity and quality of life; poorly chosen infrastructure can reduce productivity and financially burden the community for decades. A key message of this Productivity Commission report was that there is a need for a complete overhaul of poor processes currently used in the development and assessment of infrastructure investments. Reviewing a wide range of economic public infrastructure projects, the Productivity Commission found many examples of where inadequate processes and project governance have led to costly outcomes to users and taxpayers.**

**Since the above 2009 offer,** [**Annexure A**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CCBA%5CAnnexure_A.htm) **evidences that billions of taxpayer funded dollars have been squandered annually on poorly planned and inadequately appraised State*'rail infrastructure projects'* across Australiaresulting in cost blowouts, completion delays, usage/patronage paucity and associated Government ministers *ducking for cover***[**.**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CCBA%5CAnnexure_A.htm)

**\***[**SECT 51(i)**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter1/Part_V_-_Powers_of_the_Parliament)**,** [**SECT 51(xxxiv)**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter1/Part_V_-_Powers_of_the_Parliament), [**SECT 97 Audit**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter4) **and** [**SECT 98**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter4) **of the Australian Constitution behoove the Commonwealth Govt to enact legislation to '*Centralise*' responsibility upon the most skilled Commonwealth Govt department/agency at evaluating *'what is and what is not a cost-effective rail infrastructure project'*, by legislating that the six States and two Territories must submit (to the** [**Productivity Commission**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CProductivityComm%5C01-infrastructure-overview-preliminaries.docx) **at least six months prior to** [**Financial Close**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CFinancial_Close.htm)**) a** [**Conforming Cost-Benefit Analysis**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CConforming_Cost-Benefit_Analysis.htm) **for each proposed *'rail infrastructure project'* with forecast *Capex* that exceeds $20,000,000**

**\*   For those proposed '*rail infrastructure projects*' with over $100,000,000 forecast *Capex*,** **the** [**Productivity Commission**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CProductivityComm%5C01-infrastructure-overview-preliminaries.docx) **should, *at arm's length,* allocate a score out of 100 points based on the** [**Nine Steps of Cost-Benefit Analysis**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CConforming_Cost-Benefit_Analysis.htm) **and provide that score, together with the supporting calculations, to the relevant State or Territory Government at least three months prior to the forecast** [**Financial Close**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CFinancial_Close.htm)

**Entrusting overseeto theindependent/unconflicted** [**Productivity Commission**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CProductivityComm%5C01-infrastructure-overview-preliminaries.docx) **will collectively save the Commonwealth's *Public Purse* at least $3,000,000,000 in agg. annually in the initial years following enactment until State and Territory -**

**a)      public servants become accustomed to completing** [**Nine Steps of a Conforming Cost-Benefit Analysis**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CConforming_Cost-Benefit_Analysis.htm)**; and**

**b)      ministers acquaint with the complexity of quantified** [**Conforming Cost-Benefit Analysis**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CConforming_Cost-Benefit_Analysis.htm)**, whereupon the cost saving to the Commonwealth's *Public Purse* will be even greater, particularly after it is extended to include road and communications infrastructure projects**

**References**:

1st       Grattan Institute report [**They keep bringing a bigger barrel**](https://grattan.edu.au/news/they-keep-bringing-a-bigger-barrel/)  - Marion Terrill  21 Mar 2022

2nd      Comments attributed to you in SMH [**Liberal MP: Politicians ‘addicted’ to buying votes, take spending out of their hands**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CSMH_TheAge%5CLiberal_MP_John_Alexander.htm)**-** [**Matthew Knott**](https://www.smh.com.au/by/matthew-knott-hvf2k)27 Mar  2022

This [**Writer**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CWriter%5CThe_Writer_.htm) has expended well over 100 hours preparing a [**Discussion Paper**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDiscussion_Paper.htm) seeking the aforementioned two bullet points be legislated by the Commonwealth Govt [**pursuant to specific clauses within the Australian Constitution identified with this letter - Annexure B**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CAnnexure_B.htm).

This [**Writer's**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CWriter%5CThe_Writer_.htm) [**Discussion Paper**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDiscussion_Paper.htm)commences by -

a)      informing that he [**worked for CBA for 37 years; the latter half working in infrastructure finance**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CWriter%5CThe_Writer_.htm); and

b)      listing in [**Annexure A**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CCBA%5CAnnexure_A.htm)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.**

[**Annexure B**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CAnnexure_B.htm)details the following four Sections in the Australian Constitution that support the further below proposed [**Written Question With Notice**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CCommGovtFundingStates%5CWritten_Question_for_Question_Time.htm) to the Federal Treasurer**:**

* **SECT 51.**  '**Legislative powers of the Parliament**' obligates *'inter alia'* the Commonwealth Government **"to make laws for the peace, order, and good government of the Commonwealth with respect to ....... railway construction and extension in any State** with the consent of that State.
* **SECT 96.**  '**Financial assistance to States**' obligates the Commonwealth Government to **...grant financial assistance to any State on such terms and conditions as the Parliament thinks fit**.
* **SECT 97.  'Audit'** obligates thatthe Commonwealth Government to **"... review and audit the receipt of revenue and expenditure ...** by a State **...of money on account of the Commonwealth in the State in the same manner as if the Commonwealth ..... is mentioned.**
* **SECT 98. 'Trade and commerce includes navigation and State railways'** empowersthe Commonwealth Government **...to make laws with respect to trade and commerce extends to navigation and shipping, and to railways the property of any State."**

[**Chapter IV. Finance And Trade**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter4)of the Australian Constitution, in particular
[**SECT 96 'Financial assistance to States'**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter4)**,** authorises the Commonwealth Parliament to "... grant financial assistance to any state **on such terms and conditions as the Parliament thinks fit**."

Billions of dollars of cost blow outs of fiscal grants from the Federal Government in recent years (chronicled in [**Annexure A**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CCBA%5CAnnexure_A.htm)) were funded under [**SECT 96 'Financial assistance to States'**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter4) of the Australian Constitution.  [**SECT 51(i)**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter1/Part_V_-_Powers_of_the_Parliament)[**,**](http://www8.austlii.edu.au/cgi-bin/viewdoc/au/legis/cth/consol_act/coaca430/s51.html) [**SECT 51(xxxiv)**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter1/Part_V_-_Powers_of_the_Parliament)**,** [**SECT 97 Audit**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter4)and [**SECT 98**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter4) behoove the Commonwealth Govt to now enact new laws to '*Centralise*' *an arm's length* responsibility to the most skilled Commonwealth Govt department/agency at evaluating what is and what is not a cost effective infrastructure project, by legislating that the six States and two Territories must submit a [**Conforming Cost-Benefit Analysis**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CConforming_Cost-Benefit_Analysis.htm) (to the [**Productivity Commission**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CProductivityComm%5C01-infrastructure-overview-preliminaries.docx)) for each future '*rail infrastructure project'* with projected *Capex* that exceeds $20,000,000 at least six months prior to [**Financial Close**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CFinancial_Close.htm)that will -

a)       save the Commonwealth Govt. *Public Purse* at least $3,000,000,000 in agg. annually in the initial years following enactment whilst public servants become accustomed to completing
[**Nine Steps of a Conforming Cost-Benefit Analysis**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CConforming_Cost-Benefit_Analysis.htm) and ministers acquaint with the complexity of a quantified [**Cost-Benefit Analysis**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CAust%5C006-Cost-benefit-analysis.pdf), and

b)      materially reduce embarrassment that befalls State Premiers, Deputy Premiers and Transport Ministers when significant cost blowouts and project delays ([**Annexure A**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CCBA%5CAnnexure_A.htm)) are exposed in Australia's free press by courageous investigative journalists.

The [**Writer's**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CWriter%5CThe_Writer_.htm) [**Discussion Paper**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDiscussion_Paper.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"**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CCommGovtFundingStates%5CCommonwealthGovtFundingStates.pdf);

B)      contends that, pursuant to [**SECT 51(i)**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter1/Part_V_-_Powers_of_the_Parliament)**,** [**SECT 51(xxxiv)**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter1/Part_V_-_Powers_of_the_Parliament)**,** [**SECT 97 Audit**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter4)and[**SECT 98**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter4)of the Australian Constitution, the Commonwealth Govt is obligated to enact legislation to '*Centralise*' responsibility upon the most skilled Commonwealth Govt department/agency at evaluating/quantifying *'what is and what is not cost-effective rail infrastructure projects'*, by legislating that the six States and two Territories must submit (to the [**Productivity Commission**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CProductivityComm%5C01-infrastructure-overview-preliminaries.docx) at least six months prior to [**Financial Close**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CFinancial_Close.htm)) a [**Conforming Cost-Benefit Analysis**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CConforming_Cost-Benefit_Analysis.htm)for all proposed rail infrastructure projects with forecast *Capex* that exceeds $20,000,000; and

C)      seeks the [**Productivity Commission**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CProductivityComm%5C01-infrastructure-overview-preliminaries.docx) to *inter alia* 'score/rank' out of 100 points all [**Conforming Cost-Benefit Analysis**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CConforming_Cost-Benefit_Analysis.htm) for allproposed '*rail infrastructure projects*' with forecast *Capex* that exceeds $100,000,000, relying upon [**SECT 97 Audit**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter4) of the Australian Constitution.

D)    finishes by asking the below two questions:

 1.      How much of the [**$120 billion p.a. *circa* that the Commonwealth Govt has more recently funded to the States annually**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CCommGovtFundingStates%5CCommonwealthGovtFundingStates.pdf) would have been better expended, had the Commonwealth Govt. accepted back in 2009 the [**Productivity Commission's**](https://www.pc.gov.au/inquiries/completed/infrastructure/report)offer to be ***"***[***a centre of excellence for cost–benefit analysis within the Australian Government***](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CProductivityComm%5CCentreOfExcellence.jpg)***"*** and enacted requisite legislation explained herein?

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

i)      challenged the rationale/economics/logic of providing a juxtaposed second rail system between Circular Quay and Central Railway in Sydney, when a rail line has run between Circular Quay and Central for over 50 years and it provided ample train services for peak hour demands;

ii)      recommended that George Street be restricted to Govt buses only by diverting all cars etc to nearby roads, seemingly to provide public transport to Randwick and Kingsford at 10% *circa* 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 passenger patronage forecasts (at least for 20 years of Operations) that calc'd that CSELR would achieve [**almost $4 billion worth of benefits**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CEastSydneyLightRail%5CLeglislativeCouncil_SydneySW_light_rail_investigation.htm)?

[**Annexure A**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CCBA%5CAnnexure_A.htm) evidence that the below forecasts that Henry Ergas and Alex Robson made over 12 years ago in the Commonwealth [**Productivity Commission**](https://www.pc.gov.au/inquiries/completed/infrastructure/report) paper "[**6.  Evaluating major infrastructure projects: how robust are our processes?**](https://www.pc.gov.au/research/supporting/strengthening-evidence/08-chapter6.pdf)at **6.4 Conclusions** have eventuated, seemingly even beyond the expectations of Messrs Ergas and Robson:

"Overall, our review suggests the following conclusions:

i)     **Insufficient attention is paid in the evaluation process to options that would avoid investment, or, more broadly, that would focus on securing greater efficiency from the existing capital stock. Simply put, infrastructure investment appears to be viewed as a benefit, rather than a cost.**

ii)    **The distortions arising from this undesirable narrowing of the range of options considered are then compounded by evaluations that are too vulnerable to ‘*fudge factors*’. In a Gresham’s law of evaluation, bad evaluations (often by consultants) can drive out good**, given that they trade at equal values.

In our view, **these outcomes are driven by governments that see little real value in major project evaluation**. They may see merit in evaluation of essentially routine decisions (such as the decision to place a new roundabout or improve a road surface) or in cost-effectiveness analysis of the options available for meeting predetermined goals (such as improving bus transit in a congested area), **but not in the full analysis of objectives and options (including the option of not spending taxpayers’ money).** This, we argue, reflects the impact of a perception (initially due to strong economic growth, and then to a belief that the global financial crisis justifies greatly increased outlays) **that public funds have a negligible opportunity cost.** This perception has been accentuated **by the growing blurring of accountability in the Australian federation, which reduces the budget disciplines on the States, and the blurring also of responsibility for financing infrastructure as between the public and private sectors (which, whatever its other merits, increases the return to rent-seeking deals between governments and private infrastructure developers).  Together, these trends risk making cost–benefit analysis merely a box to be ticked, rather than an exercise that has real value, not least to government itself."**

**Conclusion**

The Australian Constitution, specifically [**SECT 97 Audit**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter4) and [**SECT 98**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter4)**,** obligates the Commonwealth Govtto enshrine into legislation B) and C) above.  [C](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CCBA%5CAnnexure_A.htm)ritical reports and fault-finding newspaper articles([**Annexure A**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CCBA%5CAnnexure_A.htm)), in particular[**The Social Losses from Inefficient Infrastructure Projects: Recent Australian Experience - 17 Aug 2009**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CProductivityComm%5CSSRN-id1465226.pdf)**,** chronicle thatAustralia's States no longer possess the specialist skills or objectivity to appraise [**Cost-Benefit Analysis**](https://www.projectmanager.com/blog/cost-benefit-analysis-for-projects-a-step-by-step-guide) which includes a robust [**Base Case Financial Model** t](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5Cbase_case_financial_model.htm)hat forecasts future costs/revenues to calc *inter alia* the [**Net Present Value**](https://www.investopedia.com/terms/n/npv.asp) and an [**Internal Rate of Return**](https://www.investopedia.com/terms/i/irr.asp)**.** It is substantially cheaper to assign significant research to observe the [**Four Disciplines of Project Planning** (**1. Project Proposal.  2. Options Analysis.  3. Business Case.  4. Project Plan**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5Cinfrastructure_4in1_template.docx)) and prepare a comprehensive [**Information Memorandum**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CInformation_Memorandum.htm)**,** than to learn from exceedingly costly construction mistakes.  Much better to identify those mistakes on A4 paper or a computer monitor than after many kilometres of tram tracks or toll roads have been laid and utilities (electricity, water, gas and sewerage) re-routed.In 2009 the Productivity Commission offered to be***"***[***a centre of excellence for cost–benefit analysis within the Australian Government***](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CProductivityComm%5CCentreOfExcellence.jpg)***".***

**Request**

To avoid $3 billion *circa* of the Commonwealth's *Public Purse* being further wasted annually collectively by Australia's States and Territories, the [**Writer**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CWriter%5CThe_Writer_.htm) welcomes your thoughts on his afore-mentioned proposal for the Commonwealth Govt to legislate, pursuant to [**SECT 97 Audit**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter4) and[**SECT 98**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter4)and [**SECT 96 Financial assistance to States**](https://www.aph.gov.au/About_Parliament/Senate/Powers_practice_n_procedures/Constitution/chapter4) **"...on such terms and conditions as the Parliament thinks fit**....", that -

I.)       each Australian State and Territory Government must submit a [**Conforming Cost-Benefit Analysis**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CConforming_Cost-Benefit_Analysis.htm) for eachproposed future '*rail infrastructure project*' with forecast *Capex* beyond $20,000,000 to an independent *Gatekeeper*, namely the Commonwealth [**Productivity Commission**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CProductivityComm%5C01-infrastructure-overview-preliminaries.docx), at least six months prior to forecast [**Financial Close**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CFinancial_Close.htm); and

II.)      the Productivity Commission would provide (to the pertinent State or Territory) a detailed analysis, including allocating a score out of 100 points, for all proposed *'rail infrastructure projects*' with forecast *Capex* beyond $100,000,000 at least three months prior to forecast [**Financial Close**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CFinancial_Close.htm).

iii.)     requires the pertinent State or Territory Government to publish (within two weeks' of receipt of) the [**Productivity Commission's**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CProductivityComm%5C01-infrastructure-overview-preliminaries.docx) analysis of its [**Conforming Cost-Benefit Analysis**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CConforming_Cost-Benefit_Analysis.htm) on its State or Territory 'Transport' website to *inter alia* facilitate [**Community Consultation**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDefined_Terms%5CCommunity_Consultation.htm)**.**

Reference 2 (further above) evidences that the retiring Member for Bennelong is fervent about infrastructure expenditure being reliant upon robust[**Cost-Benefit Analysis**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CAust%5C006-Cost-benefit-analysis.pdf)**.**

Seemingly pursuant to [**Infosheet 1**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CRoleOfGovt%5CInfosheet_1__Questions.htm)and[**Question Time - Chapter 15**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CRoleOfGovt%5CQuestion_Time__Chapter_15.htm), the retiring Member for Bennelong could place in the[**House Despatch Box**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CRoleOfGovt%5CHouse_Despatch_Box.jpg)a '[**Written Question With Notice'** directed to the Federal Treasurer](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CCommGovtFundingStates%5CWritten_Question_for_Question_Time.htm)**.**  It would likely be in A4 hardcopy, and also on CDs and USB Sticks to facilitate navigation to information and legislation relied upon, in particular my [**Discussion Paper**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CDiscussion_Paper.htm).

This should have the support of [**former top NSW rail executive Dick Day**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CSMH_TheAge%5C%244_bil_blowout.htm), and [**Greens MP, Mehreen Faruqi, who has a doctorate in engineering who first alerted to the prospect for costs claims by Acciona and also former director of Professionals Australia, Paul Davies**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CEastSydneyLightRail%5CHowDidGladysMakeHeavyWorkOfLightRail.htm), [**Ron Christie, former Co-ordinator-General of NSW Rail**](file:///F%3A%5CDocuments%5CMy%20Web%20Sites%5CMuggaccinos%5CStateGovtRailInfrastructure%5CSMH_TheAge%5CGridlocked_and_unworkable.htm) as well as [***Crikey***](https://www.crikey.com.au/2021/05/17/infrastructure-cost-blowouts/) and the [**Grattan Institute**](https://grattan.edu.au/news/they-keep-bringing-a-bigger-barrel/).

Yours sincerely



Philip James Johnston