# Glory without power – another Commonwealth ‘role’ in city transport

A while ago the beagle surveyed arguments for a Commonwealth role in urban transport concluding:

* Periodically proposals are made for some (undefined) Government role;
* Invariably they are based on just two arguments: cities are (increasingly) important; there are cities in each State hence a ‘national approach’ or ‘coordination’ is required;
* Which aren’t proper arguments for Commonwealth involvement, let alone a Government role;
* Reference to vertical fiscal imbalance or s.96 of the Constitution aren’t justifications either;
* Nor is agreement in forums such as the Council of Australian Governments;
* The wishful thinking behind such proposals – ends justifying means - contributes to the very matters decried by proponents: pork barrel politics; lack of sustained commitment and capacity; ineffective governance.[[1]](#endnote-1)

A September 2018 report from a Commonwealth House of Representatives Committee is yet another example of the mistake. Coming hot on the heels of a similar article in the Conversation.[[2]](#endnote-2)

Both seek Commonwealth glory without responsibility. With proposals beyond its Government’s power. Some, e.g. regional tax incentives, directly infringe the Constitution. Meanwhile they continue to overlook Commonwealth inaction on its responsibilities e.g. tax concessions for motorists and matters related to interstate and international trade such as seaports.[[3]](#endnote-3)

The eagerness to find popular ‘activities’ for the Commonwealth without considering responsibilities means the loss of (yet) another opportunity for the fundamental ‘reform’ needed if the Australian Government is to have a useful role in cities or in settlement – Constitutional change. That the Committee report reflects a ‘bipartisan’ proposal, cites reams of earnest but under-informed opinion, reiterates well known pleas from the usual quarters and doesn’t even recognise the problem of a lack of power makes this all the worse.

And what of a claim Constitutional change is ‘too difficult’? Such a claim belies lack of confidence in the merit of proposed Commonwealth ‘roles’.

Meanwhile, the primary criticism of the report concerned an almost throw-away suggestion - the ‘discount rate’ used in project assessment should be changed from 7% to 4%. One opinion had this akin to halving a pass mark and making dud projects look good – hysterical in more ways than one.[[4]](#endnote-4)

For those with an interest in project ‘assessment’, the beagle suggests major infrastructure proposals should be publicly examined to answer three groups of questions:

1. The motives for the project. To illustrate, for Sydney Metro this would include purposes of undermining the existing rail system and reducing union influence;
2. Whether the project will work as claimed. To illustrate, Sydney light rail and Westconnex cannot both work as intended because they disrupt traffic on each other;
3. Under what circumstances would the project be worth doing. To illustrate, allowing for an increase in vehicle mass limits at Chullora rail terminal is worth doing in today’s circumstances; to be justified the Maldon-Dombarton line would need more traffic than today.

The discount rate? A minor matter in the third group of questions.

The real problems do not lie in the ‘economic’ assessment of projects. They cannot be solved by debates over discount rates, ideas for a better ‘mousetrap’ to catch weak proposals or national coordination and planning of the type undertaken by Infrastructure Australia.

To illustrate by a fine point: Infrastructure Australia argues the toss about discount rates after it waved through the Sydney Metro - sans capital cost to which the discount rate would apply.[[5]](#endnote-5)

Australia’s public infrastructure problems lie in the identification of projects, the clandestine motives behind them and the opacity and implausibility of some ‘independent’ assessments. The first of these undermines value, the latter two create distrust in the community and corrode democracy.

From this episode we see:

* The ongoing search for Commonwealth glory without power – to avoid responsibility;
* Continuation of the bang-head-on-the-wall approach to urban affairs;
* Further confirmation the infrastructure club operates a trivia factory.

Good luck to those who need real progress.

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27 September 2018

1. <https://www.thejadebeagle.com/commonwealth-urban-transport.html>. And further articles in the Federal-State relations section of the jadebeagle’s site. [↑](#endnote-ref-1)
2. <http://apo.org.au/node/193236>,

   <https://theconversation.com/our-new-pm-wants-to-bust-congestion-here-are-four-ways-he-could-do-that-102249> [↑](#endnote-ref-2)
3. Constitution s.51: *The Parliament shall, subject to this Constitution, have power to make laws for the peace, order, and good government of the Commonwealth with respect to: (ii)  taxation; but so as not to discriminate between States or parts of States;* [↑](#endnote-ref-3)
4. <https://www.smh.com.au/politics/federal/infrastructure-australia-chief-blasts-plan-to-make-dud-projects-easier-to-justify-20180918-p504ea.html> [↑](#endnote-ref-4)
5. <https://www.thejadebeagle.com/earth-to-canberra-2.html> [↑](#endnote-ref-5)