# Sideshow alley - corridor protection

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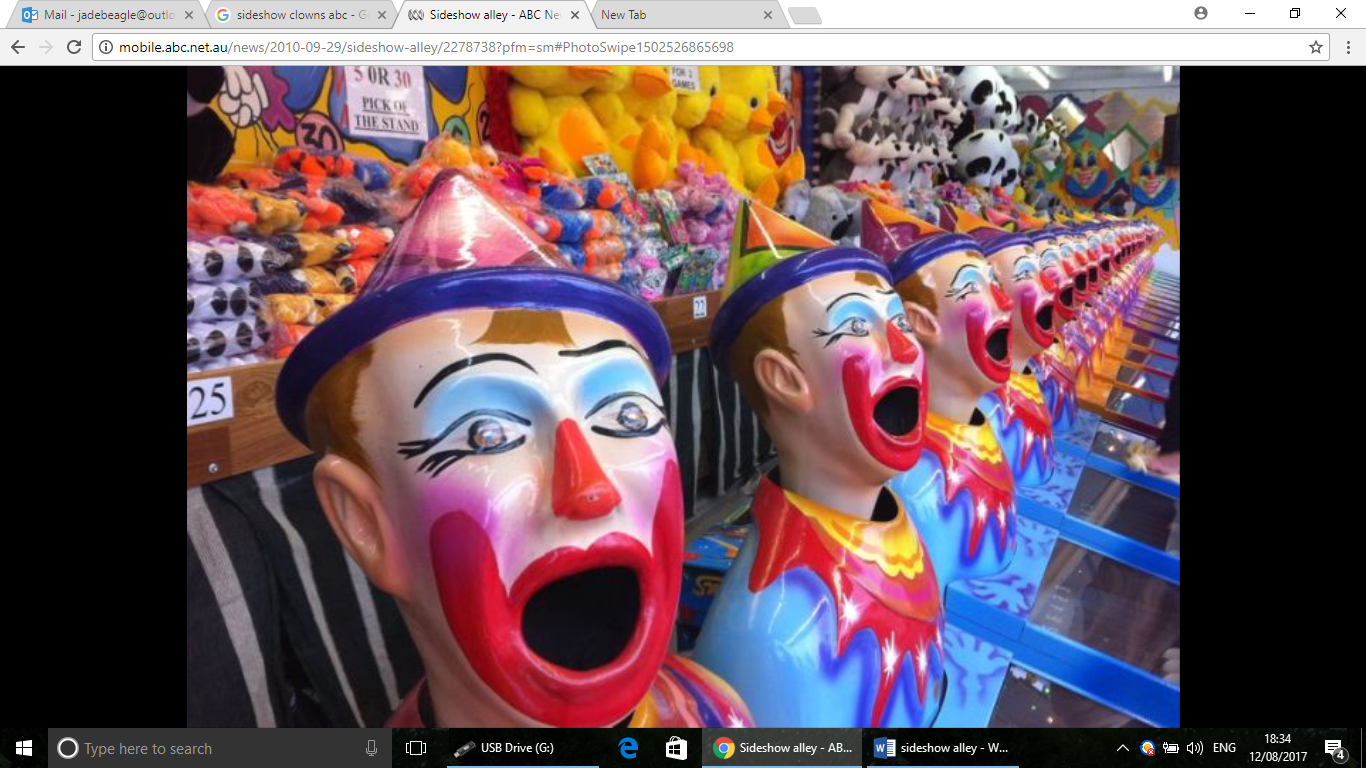
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## 0. Sideshow alley



<http://mobile.abc.net.au/news/2010-09-29/sideshow-alley/2278738?pfm=sm#PhotoSwipe1502526865698>

Every carnival has an alley housing fairy floss sellers, a duck shooting gallery, lucky number stall and showbags with fairly useless goodies.

Might the tent at the end invite sparring with the champ or house a freakshow?

The beagle’s favourite is the stall where swivelling clown heads accept ping pong balls from punters. Those in luck end up with a fluffy toy; perhaps a monkey, a tiger for higher points, or for the best plays an elephant.

The beagle finds it hard to avoid these images when reading the recent bout of infrastructure papers from various sources, including on national rail policy, freight and logistics and corridor protection.

They are sideshows from the main game: a proper national plan; a defensible role for the Commonwealth; projects that arise from the plan rather than vice versa; transparent and reasonable evaluations; proper information – rather than propaganda - for the public.

Today’s topic, Infrastructure Australia’s corridor protection report, also distracts from today’s biggest event in town - the question of whether the Sydney metro sabotages the future of that city’s commuter rail system by, for example, taking a particular CBD corridor.

The infrastructure main game is not how to get money or lock governments into projects - for the community to serve the infrastructure industry. Proposals for this should be treated as sideshows.

Rather the main game is to ensure infrastructure serves the community.

The beagle can imagine various current proposals as alley attractions. There are fairy flosses and showbags. Several ideas could be despatched like tin ducks.

Sideshows are places to spend the time and money left over after the real attractions have been dealt with. On the way to the exit.

The worry of visiting the alley too soon? A ping pong ball thrown at clowns might yield an enormous white elephant needing to be lugged around the fairground, ruining the rest of the day.

## 1. Introduction

Infrastructure Australia’s recently released a report on an important topic; corridor protection. Like the other recent report in the ‘reform series’ – customer focused franchising – it diverted attention to a sideshow.[[1]](#endnote-1)

Both reports have been criticised; including as ‘*stupidly calling for mass privatisation of public monopoly assets*’ and promoting a high speed rail ‘*ponzi scheme’*. They add to confusion about Infrastructure Australia’s direction.[[2]](#endnote-2)

These and another contentious report – value capture – are part of a ‘reform series’ based on suggestions in Infrastructure Australia’s 2016 infrastructure plan.

## 2. Corridor protection – the idea

Corridor protection aims to optimise the economic and social effects of transport infrastructure likely to be needed in the long term.

To protect corridors, governments restrict the use of relevant lands – usually long strips, hence the term ‘corridor’ – so when the time comes to build infrastructure acquisition and community displacement costs are as low as possible.

One corridor protection mechanism is to buy land. This comes at a cost; on top of initial government outlays there are costs associated with foregone opportunities.

Even accounting for these costs, via ‘discount rates’, corridor protection can be worthwhile. The reason is land value increases faster than the discount rate when improved by buildings. The effect is greatest in areas expected to undergo residential or industrial development; largely on the metropolitan outskirts.[[3]](#endnote-3)

## 3. Corridor protection - the report

The corridor protection report recited familiar claims: population growth will require more infrastructure in Australian cities; protecting corridors now could save costs later.

It provided an estimate of savings of up to a total of $10bn (present value) for several ‘unused’ corridors in which new transport infrastructure could be built. It said this provides a ‘*powerful opportunity*’ to leave an ‘*enduring legacy*’ and ‘*underpin our nation’s next phase of growth*’. [[4]](#endnote-4)

Implicit in such estimates are timetables for constructing infrastructure.[[5]](#endnote-5)

The stated reason for selecting the seven corridors was their identification in the 2016 infrastructure priority list. The report did not try to answer whether there are: other important unused corridors; important underutilised corridors; useful adjustments to existing corridors.[[6]](#endnote-6)

While the report pointed to previously protected corridors now in use, such as the M5 in Sydney, it omitted long protected corridors that remain unused – such as the F6 in Sydney.

It did not discuss opportunities lost from misuse of corridors such as the Hume and the Pacific Highway; or corridor design issues such as that the Pacific Highway changes should have included an ability to have a rail line.[[7]](#endnote-7)

Nor did it discuss the most important transport corridor in Australia; through the Sydney CBD.[[8]](#endnote-8)

## 4. The response

We do not yet know what governments think about the corridor protection report.

However, the media and some politicians pounced with claims the report put high speed rail back on the agenda, and that construction of a Sydney-Canberra leg should start soon. Some regional press went into ‘boom town’ mode.[[9]](#endnote-9)

Mr Alan Davies suggested a source for the excitement:

*‘The Chairman of Infrastructure Australia, Mark Birrell, told the media (see* [*Act now on high-speed rail or pay heavy price later: Infrastructure Australia*](http://www.theage.com.au/national/act-now-on-highspeed-rail-or-pay-heavy-price-later-infrastructure-australia-20170706-gx63fz.html)*):*

*“No one is saying we won’t need high-speed rail in 20 years, but to do that you need preserve the corridor now”.*[[10]](#endnote-10)

Whatever the Chairman meant in that confusing comment (to do what no one is saying won’t be needed?) some considered it to be a green light to high speed rail. Why ask to protect land for a project unless that project is to go ahead?

Mr Davies also listed doubts about high speed rail. For reasons explained previously, he didn’t go as far as some in condemning some ideas and their supposed supporting ‘research’.[[11]](#endnote-11)

## 5. Some comments

### 5.1 On Infrastructure Australia

While Mr Davies and other commentators debated high speed rail they missed something.

As the report claimed, some of the identified corridor protection projects were in the infrastructure priority list in 2016, yet none were recommended. Nor were any recommended in the most recent published lists – in 2017. There are no business cases and Infrastructure Australia has not published even a summary assessment of a corridor protection project.[[12]](#endnote-12)

This is another case of Infrastructure Australia apparently supporting projects in advance of assessment. It should concern those who think Infrastructure Australia should be a gatekeeper rather than advocate of infrastructure proposals – it is difficult to be both![[13]](#endnote-13)

### 5.2 On identification of corridors by the Australian infrastructure plan and audit

The identified corridors came from Infrastructure Australia’s 2016 Australian infrastructure plan.

That plan essayed an ‘economic contribution’ methodology to identify infrastructure gaps. However, it ‘welfare economics’ with national income. The result is that transport aspects of the plan are dominated by road ‘travel time savings’, which while popular with motorists, are largely unrelated to national income. The plan was not properly directed towards improving Australia’s economic development and is an unreliable way of determining corridors in need of protection.[[14]](#endnote-14)

While the plan drew on an audit, not all of the proposed corridors reflected gaps or problems identified in the audit. For example, a high speed rail ‘problem’ was not identified by the audit, and the idea of high speed rail was merely mentioned in passing in the audit report. This was odd given better known, more pressing rail matters eluded attention; gauge standardisation for example.

High speed rail then appeared in the plan as a corridor matter, apparently drawing on a 2013 study conducted by the Commonwealth Department of Infrastructure and Transport which did not use the audit’s methodology. It is unknown what comparable ‘economic contribution’ high speed rail might make, and logically its importance and priority relative to audit findings.[[15]](#endnote-15)

### 5.3 Alternative approaches to corridor identification

Given the inadequacies of the Australian infrastructure plan, it is useful to consider other approaches to identification of corridors for protection.

One approach would be to collate government claims. This appears to be the underlying basis of most of the 7 corridors considered in the corridor protection report.

Yet collation is not a proper way to develop policy; it is descriptive rather than analytic. There are obvious gaps in what governments presented to Infrastructure Australia. For example, the Commonwealth had little to say and the ‘national’ proposal – for high speed rail – is nonsensical for reasons outlined below.

Another approach to identify corridors is through transport ‘strategies’; stable long-term plans for physical transport systems. Although the corridor protection report referred to this in terms of protecting port lands from encroachment, it did not explain the source of the issue; the particular operational requirements of freight vehicles and their impacts on communities.[[16]](#endnote-16)

Were this understood, it is likely advice would have included consideration of freight only infrastructure, overcoming difficulties of having trucks and cars sharing tunnels near ports and giving rise to a realistic approach to road charging reform.[[17]](#endnote-17)

The transport strategy approach would reveal that preventing alienation of unused lands is not the highest priority for transport corridors. It is more important to ensure existing infrastructure corridors are properly used and for proper identification of lands for future facilities. The latter, future facilities, are particularly significant to corridor protection as there is a long-term trend of freight and port lands to migrate towards the sea and outskirts of metropolitan areas.

The transport strategies approach was promoted by Infrastructure Australia prior to 2014 as a way of helping identify future nationally significant infrastructure issues. The approach aimed to envisage circumstances, rather than just timing, in which particular issues merit attention. This would deal with a concern identified in the corridor protection report; expectations that announcement of an infrastructure initiative will shortly be followed by construction of a project.[[18]](#endnote-18)

Since 2014 Infrastructure Australia appears to have eschewed the transport strategies, reverting to its initial approach of seeking proposals from governments, albeit via a process including an ‘audit’.[[19]](#endnote-19)

### 5.4 On the Commonwealth’s role

Consistent with other Infrastructure Australia work, the corridor protection report assumed the Commonwealth’s role is to support States. A result is that State government current priorities trump Commonwealth objectives like facilitation of interstate and international trade and commerce.

However, in 2014 the High Court overturned widely held assumptions about Commonwealth roles and its spending powers. Replacements have not been articulated.[[20]](#endnote-20)

Combined with discarding the transport strategies approach the result is an appearance of most advisers – not merely Infrastructure Australia – thrashing around to find some reason for the Commonwealth to fund pet infrastructure projects.

Projects are done before assessments, assessments are done in advance of plans, and State policies lag all of these. National policies, which must include consideration of the Commonwealth, will come last of all – at present there are none.

It should be obvious that it is impossible to develop Commonwealth and therefore national infrastructure policies until the High Court’s 2014 ruling is explicitly recognised.[[21]](#endnote-21)

Among the messages in this for the Government, the Opposition, minor parties and advisers is the danger of creating false expectations and opening the door to more intense lobbying that advances industry rather than community interests.

The Commonwealth continues to be invited to sponsor projects which are inconsistent with both Federalism and any reasonable view of national or even local development. The bias of advice towards State political projects in central areas of Sydney, Melbourne and Brisbane is growing.

A proper articulation of the Commonwealth role is needed unpopular though this might be. Since 2014 this has become a precondition for rational infrastructure policy, plans and therefore projects in Australia.

While it might be desirable to have an all-levels-of-government corridor policy, the view that there should be some sort of joint enterprise between Commonwealth and State Governments to protect individual corridors is not well founded. Equally, the view that corridor protection is largely a matter for the States – and the Commonwealth’s role is to provide funds - is wrong.[[22]](#endnote-22)

Most corridors essential for national development are subject to Commonwealth powers; many relate to interstate or international trade and commerce, such as road and rail routes to seaports. Marine channels should also be considered corridors.

The Commonwealth could protect and own such corridors irrespective of the views or vicissitudes of the States. Much as it does with flight paths to international airports.

There would be further advantages of Commonwealth involvement in corridor protection. State and Federal regulatory agencies would feel less need to meddle in infrastructure proposals on protected corridors. Involvement would press the Commonwealth to focus on its proper role; of ensuring infrastructure interoperability rather than financing projects for separationists and rentiers; allowing it to discard the practice of casting around looking for something to do.

### 5.5 On Sydney

The report alluded to, but did not answer, the biggest corridor question facing Australia in the 21st century; does the Sydney metro project alienate underground rail corridors in central Sydney? Does metro preclude another central Sydney commuter rail harbour crossing, compromising Sydney’s current transport system?

These are not new questions.[[23]](#endnote-23)

Future urban building developments are not the only reason to protect corridors; infrastructure projects can sterilise corridors. This is a further reason for Commonwealth involvement in the corridor matters that fall within its powers.

The report should have made this point and answered the Sydney questions.

### 5.6 On high speed rail

Media presentations and comments on the corridor protection report focussed on high speed rail between Brisbane and Melbourne; the report itself suggested construction of a first leg, Sydney-Canberra, in the relatively near future.

While the report estimated corridor protection to save around 10% of Brisbane-Melbourne project costs, (undiscounted) project spending of $125bn or more is extraordinarily large. There is a high probability that Australia will not benefit from such a high speed rail project this century.

That high probability is a certainty if high speed rail is based on the proposal endorsed in the report.

The proposal is from a Department of Infrastructure and Transport study; previous articles cast grave doubt on the study not least because of its bizarre ideas.[[24]](#endnote-24)

Examples of its perversity include: the assumption that the Bowral-Goulburn area would generate patronage higher than the Newcastle and Central Coast regions; Canberra being served by a spur line - it would not have a direct connection to Melbourne. Other examples include lines going into the centre of metropolitan CBDs at enormous cost while other major centres such as the Gold Coast, Newcastle and Coffs Harbour are bypassed; the belief that high speed rail can compete against Australian aviation; ignoring peri-urban commuting, second CBDs such as Parramatta, and the capacity about to be brought on line via Badgerys Creek airport.

Were this study to be used as a basis for high speed rail Australia would suffer the farcical situation of the wrong corridors being protected while some necessary corridor locations would remain unprotected.

J Austen

August 2017

1. <http://infrastructureaustralia.gov.au/policy-publications/publications/files/CorridorProtection.pdf> [↑](#endnote-ref-1)
2. <https://www.macrobusiness.com.au/2017/07/infrastructure-australia-backs-high-speed-ponzi-rail/> [↑](#endnote-ref-2)
3. The report includes in its argument for corridor protection a claim that over the last 20 years the annual average increase in the price of metropolitan land on Australia’s east coast was 3% more than the rate of inflation. This is not a good argument for corridor protection; the relevant comparison is with interest rates – the ‘time price of money’ rather than inflation rates. Government economic assessments generally assume real – inflation adjusted - interest rates of 4% and 7% i.e. greater than the above 3% figure, implying that it would have been better to not acquire average land.

   The proper argument for corridor protection is that the price of the relevant land will increase much faster; probably due to its improvement by buildings. [↑](#endnote-ref-3)
4. The corridors where the report compared protection with ‘do not protect and tunnel’ are: Outer Sydney orbital $3.7bn; Melbourne-Brisbane high speed rail $3.6bn, Outer Melbourne Ring Road $0.7bn; Western Sydney rail $0.5bn; Western Sydney freight line $1.5bn; Brisbane port freight line $0.1bn; Hunter Valley freight line $0.1bn. [↑](#endnote-ref-4)
5. A timing is needed for calculation of present values; see note x (below). Also implicit is property valuations. If property values were to fall the amounts would change. [↑](#endnote-ref-5)
6. For example, the report’s notes stated that the 2017 Infrastructure Priority List included a further corridor. [↑](#endnote-ref-6)
7. Misuse of the Hume corridor is outlined at <http://johnmenadue.com/john-austen-infrastructure-misuse-and-mistakes-the-hume-highway/article>.

   The multi-billion dollar improvement of the Pacific Highway failed to provide for any improvement in the railway, although the two corridors are closely parallel in some locations, and intersect at other places. Among the Pacific Highway improvements are grade and curve reductions; exactly the type of works that would be of benefit to the railway. While it may be that the new road grades and curves may still be too tight for modern trains in some locations, total economic costs of land transport are likely to have been minimised were grades and curves made more accommodating; there is an Australian precedent – Perth. [↑](#endnote-ref-7)
8. The issue in Sydney is the potential for the under-construction metro to alienate CBD rail corridors that may be needed for an efficient commuter network – the implications of such alienation are at least metropolitan wide, and given the joint use of commuter tracks by freight and passenger trains it may have national implications. See note xxiii below. [↑](#endnote-ref-8)
9. For example: <http://www.heraldsun.com.au/leader/north-west/melbourne-to-brisbane-high-speed-rail-land-acquisition-must-be-fast-tracked-says-infrastructure-australia/news-story/1c9b7ab49924933afd760ba6fe4eee94>; <http://www.huffingtonpost.com.au/anthony-albanese/short-term-thinking-will-derail-australias-long-term-plan-for-h_a_23038407/>;

   <https://www.domain.com.au/news/high-speed-rail-to-canberra-is-a-nobrainer-20170715-gxbvdd/>;

   <http://www.wollondillyadvertiser.com.au/story/4802034/high-speed-rail-will-revolutionise-shire/>.

   However, respected transport consultant Robert Williams recently poured cold water on the idea: <https://www.domain.com.au/news/australias-highspeed-rail-plan-is-a-blow-to-housing-affordability-20170809-gxpjzi/> [↑](#endnote-ref-9)
10. <https://blogs.crikey.com.au/theurbanist/2017/07/10/corridors-protected-hsr/>. While the Chairman referred to 20 years, the corridor protection report envisaged earlier timeframes; commencement of construction for Sydney-Canberra in 2024 for completion in 2032, and commencement of construction for Goulburn (due to Canberra being on a spur line) -Melbourne in 2027 with completion in 2037.

    These might be compared with the Department’s study which had timing later than the corridor protection report: Sydney-Canberra commencement 2027, completion 2035; Goulburn-Melbourne commencement 2032, completion 2040. See: <https://infrastructure.gov.au/rail/trains/high_speed/files/HSR_Phase_2_Chapter_6.pdf> [↑](#endnote-ref-10)
11. See: the high speed rail articles at thejadebeagle.com and

    <http://johnmenadue.com/john-austen-high-speed-rail-here-we-go-again/>;

    <http://johnmenadue.com/john-austen-high-speed-rail-where-to-competing-with-airlines-or-cars/>; [↑](#endnote-ref-11)
12. <http://infrastructureaustralia.gov.au/projects/infrastructure-priority-list.aspx>

    <http://infrastructureaustralia.gov.au/projects/project-assessments.aspx>; <http://infrastructureaustralia.gov.au/projects/infrastructure-priority-list.aspx#anc_current> [↑](#endnote-ref-12)
13. <http://www.thejadebeagle.com/weird-scenes.html> [↑](#endnote-ref-13)
14. See: <http://www.thejadebeagle.com/australian-infrastructure-plan.html> [↑](#endnote-ref-14)
15. The audit, published in 2015, did not mention high speed rail in its transport section or transport audit findings, not surprising since high speed rail does not exist in Australia – there is nothing to be audited.

    The audit referred to high speed rail once in the section on corridor protection (4.1.2) as follows:

    *‘ As highlighted by Infrastructure Partnerships Australia in its report on corridor protection in 2010 , and the Australian Government’s High Speed Rail Study in 2013, the implications of inaction in this area are not benign’* <http://infrastructureaustralia.gov.au/policy-publications/publications/Australian-Infrastructure-Audit.aspx>

    However, high speed rail did appear in the Australian infrastructure plan priority list February 2016 which claimed protection of its corridor to be an audit identified gap. <http://infrastructureaustralia.gov.au/projects/files/Australian_Infrastructure_Plan-Infrastructure_Priority_List.pdf>.

    The absence of a business case is inferred from the initiative not being included in the list of current business cases under assessment <http://infrastructureaustralia.gov.au/projects/infrastructure-priority-list.aspx>.

    <http://infrastructureaustralia.gov.au/policy-publications/publications/Australian-Infrastructure-Audit.aspx> [↑](#endnote-ref-15)
16. See: <http://www.thejadebeagle.com/freight-1.html>;

    <http://www.thejadebeagle.com/freight-and-logistics.html> [↑](#endnote-ref-16)
17. See: <http://www.thejadebeagle.com/roads-1-tar-baby.html>; <http://www.thejadebeagle.com/roads-2-cause-and-consequence-june-2015.html>; <http://www.thejadebeagle.com/roads-3-htfu.html>. [↑](#endnote-ref-17)
18. <http://infrastructureaustralia.gov.au/policy-publications/publications/National-Ports-Strategy-2011.aspx>;

    <http://infrastructureaustralia.gov.au/policy-publications/publications/National-Land-Freight-Strategy-Update-June-2012.aspx> [↑](#endnote-ref-18)
19. The pre-2014 history of Infrastructure Australia’s approach to project identification is outlined at <http://www.thejadebeagle.com/audit.html> [↑](#endnote-ref-19)
20. See: <http://www.thejadebeagle.com/williams-case.html>;

    <http://www.thejadebeagle.com/big-things.html>;

    <http://www.thejadebeagle.com/transport-policy-post-williams.html> [↑](#endnote-ref-20)
21. At present a number of ‘processes’ are underway attempting to develop national policies. However, as none have yet addressed the Williams case, all will likely fail or be prematurely terminated. Examples include:

    railways <http://www.thejadebeagle.com/austral-obscura-1.html>;

    road charging <http://www.thejadebeagle.com/heavy-vehicle-price-regulator.html>;

    <http://www.thejadebeagle.com/a-job-for-hollywood-harold.html>

    freight and logistics (note xvi above). [↑](#endnote-ref-21)
22. Compare with the corridor protection report recommendation 9.4.

    The Williams case made clear that the Commonwealth Government does not gain jurisdiction through ‘agreement’ with States or their governments; there are specific Constitutional provisions for jurisdiction to be conferred on the Commonwealth by the States. Among the principles for this view is that an increase in Commonwealth Executive power comes at the expense of State power.

    For those who see the Commonwealth Government having a natural (or all purposes) ‘funding role’, such a role was the matter struck down in the Williams etc cases.

    Interestingly the legal argument being run by opponents of the current proposal for a marriage plebiscite is the invalidity of the Commonwealth Government having such a natural funding role; <http://www.smh.com.au/federal-politics/political-news/postal-plebiscite-a-stretch-and-will-face-high-court-challenge-warn-experts-20170808-gxs029.html>. See note xx (above). [↑](#endnote-ref-22)
23. See note viii (above).

    The matter is outlined at <http://www.thejadebeagle.com/toucheth-not-the-monorail-metro-summary-business-case.html>. In detail: At p 5:

    *The reason for the Inquiry emphasising the western (left) side of the CBD is the possibility that a different alignment, such as through the centre of the CBD as proposed by the government’s SydneyMetro authority in 2008, could jeopardise another commuter rail harbour crossing:*

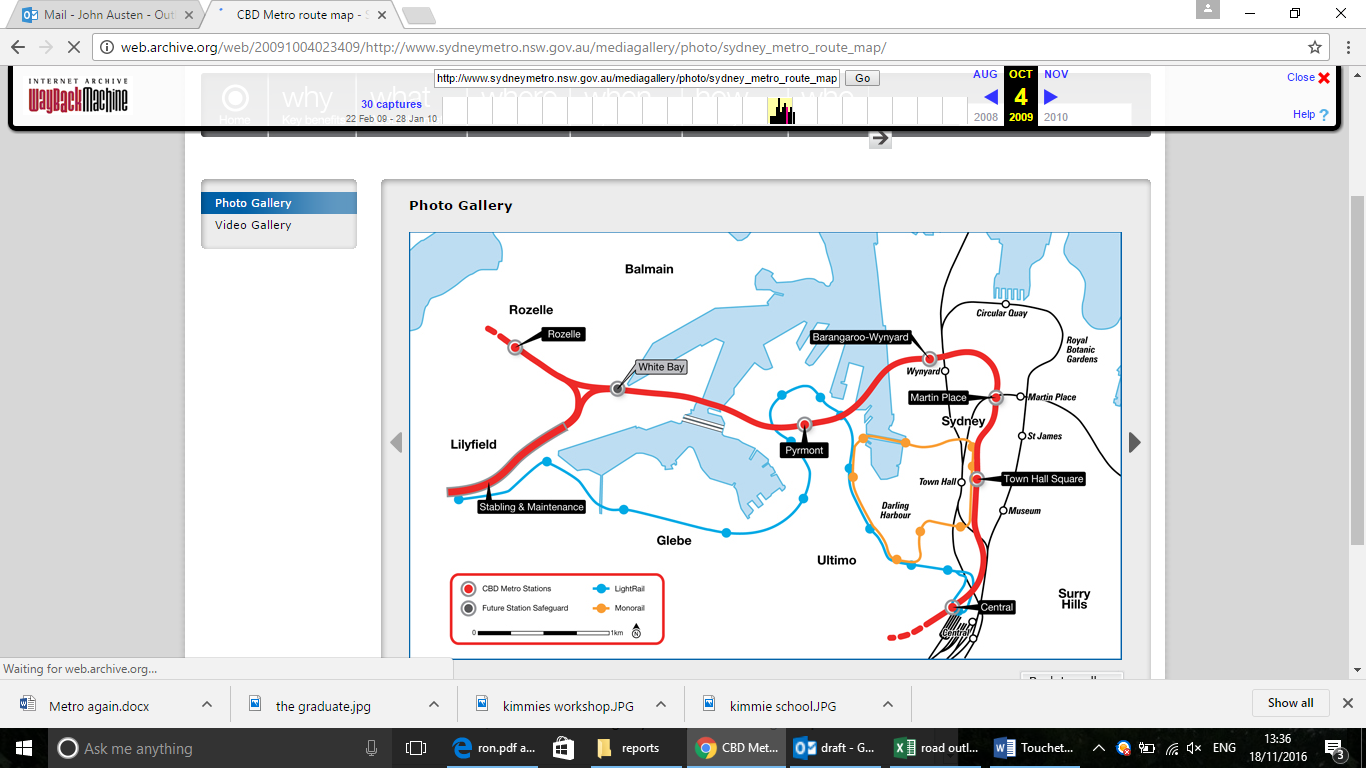
    *‘The proposed “CBD Metro” route would have jeopardised, perhaps fatally, future heavy rail capacity expansion and congestion-relief options within the CBD and across the harbour, thereby effectively dooming almost all of the CityRail network never to be able to cater for the inevitable and rapid growth in patronage demand in the future’.*

    At note xx: *the Christie Inquiry at p.200 concluded:*

    *‘both of the original route options for a new CBD and Harbour crossing rail link, along with all other viable heavy rail route alternatives and all viable potential routes for “metro” lines through the CBD in the longer term, now need to be seriously, independently and transparently investigated as a matter of urgency, before the options are forever closed off or compromised by further ad hoc NSW government decision-making’.*

    *The questioned alignment is shown in Map A1 below.*

    ***Map A1: CBD metro rail alignment questioned by Christie Inquiry***

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    *Source: ttp://web.archive.org/web/20091004023409/http://www.sydneymetro.nsw.gov.au/mediagallery/photo/sydney\_metro\_route\_map/* [↑](#endnote-ref-23)
24. See notes ix to xi (above). [↑](#endnote-ref-24)