**John Austen – Infrastructure Australia’s ‘believe it or not’ audit**

*Last week saw media coverage of Infrastructure Australia’s 2019 infrastructure audit. The hype was short lived. The audit was another analytically deficient step towards a transport policy abyss into which the infrastructure club wants to throw vast amounts of your money.*

The ‘new’ corporate Infrastructure Australia designed by the Abbott Government conducts an ‘audit’ of energy, water, telecommunications and transport infrastructure every few years. The audits report infrastructure performance e.g. delays on major roads. However, unlike other audits – say of businesses - projections of future performance are also presented.

The second such [audit](#_top) was published on 13 August. Its projections were seized on with media claims that [$200bn infrastructure spending](#_top) is needed in the next five years lest Sydney and Melbourne become ‘paralysed’.

The hysteria was spurred by a hastily written [press release](#_top) and sound bites of impending peril. Yet neither the release – nor the audit – mentioned a $200bn ‘need’. The confusion didn’t stop there – the ‘needed’ amount might or might not refer to all infrastructure sectors (not just transport), schools, hospitals etc. and operating costs – all topics of this audit!

One [commentator](#_top) implied the audit aimed more at entertainment than public policy via ‘*worthy sounding gobbledegook*’ and ‘*cartoon like representations of various thought bubbles’*. Indeed, parts of the audit would not be out of place in [Ripley's Believe It or Not](#_top) e.g. references to: eight Sydney Opera Houses could be bought with annual subsidies to public transport; 32% of prisoners await sentence; 1 in 10 adults did not access the internet during 6 months last year.

The connotation of this circus: the infrastructure club wants you to believe it deserves more of your money. My comments on that relate to transport.

Among the audit’s arguments for more money is future uncertainty. Yet it did not identify the right strategy for uncertainty – allow flexibility. In transport flexibility is inter-operability and pricing.

Transport inter-operability should be a key matter for a national government in a federation. It is in the United States. It was a purpose of Australia federating.

However, the audit seemed unaware of this. It didn’t highlight the absence of inter-operability in projects e.g. major road designs which notoriously preclude later retrofit with rail lines. It did not comment on the most outrageous breach of inter-operability since the break of rail gauge in the 19th century - Sydney Metro.

The same failure to acknowledge inter-operability bedevils project assessments. It’s as if Infrastructure Australia doesn’t realise it works for a Federal government.

The audit also ignored road pricing to mitigate congestion. This oversight is not new – [the previous audit](#_top) saw ‘pricing’ only as a way to raise more money. The present omission is even more odd given Infrastructure Australia’s consultants had pricing-type assumptions in the projections - no real increase in fuel costs, and CPI-linked increases in tolls.

The audit presented the main transport issues as costs of road congestion and public transport crowding – projected to be $38.7bn and $1.2bn respectively in 2031. The former – while revised down by $14.5bn (27%) from the 2015 audit - is grossly overstated for at least three reasons. First, it embodies a roads bias by assuming travel by car is much more valuable than by e.g. trains. Second, it depends on nonsensical degrees of traffic congestion e.g. over 80% of an inner-city road trip being at standstill while many (18) trains run past. Third, most importantly, it does not take into account efficient road pricing.

The real questions are: what would be the cost of congestion if there was efficient pricing? What projects would be justified if there was efficient pricing? Questions along these lines were posed by the pre-Abbott Infrastructure Australia. The ‘new’ organisation avoided them.

Rather than consider [infrastructure policy failures](#_top) that cause congestion, the audit pointed to population growth. The [media interpretation](#_top): more spending is needed – egged-on by comments from Infrastructure Australia:

*"This infrastructure boom that we are in is the new normal….If we don't continue this investment, the costs of congestion will double.*"

On cue the [Leader of the Opposition](#_top) called for a debate on population – migration.

Several State politicians (wrongly) claimed the audit ignored their pet projects e.g. WestConnex, presumably as a way to distract people from realising that most are creating new and bigger problems. [NSW Premier Berejiklian](#_top) flagged more privatisations which might enable further dumb projects – like Sydney’s West Metro – provided there is also Federal funding.

Even the reputable press joined the Commonwealth lobbying. The [Sydney Morning Herald's coverage](#_top) said the Prime Minister:

*‘should re-examine 103 projects on the priority list,* (which are) *ready to go’.*

It added:

*‘individuals will have to think very carefully about transport when they buy a house and many will chose to live in the inner city or a major centre, close to all the amenities transport and jobs’*

These – a plea for Commonwealth help and people choosing to live in inner cities - reveal the ‘debate’ to really be a propaganda assault more far-fetched than the TV satire Utopia would dare.

A case has yet to be made for the Commonwealth to even consider using your money to fund ‘congestion busting’ infrastructure. That a case should be made arises from Australia’s system of government which places relevant responsibilities on the States – not the Commonwealth - and whose mechanism of Commonwealth assistance to States is general purpose grants rather than infrastructure funding.

If there is such a case for the Commonwealth to consider ‘investment’, the Prime Minister should indeed re-examine projects on Infrastructure Australia’s priority list. The reason: previous lists were based on some grossly inadequate assessments. Re-examination should be via [public inquiries](#_top). And, of course, the Commonwealth must not fund anything that reduces prospects of inter-operability or efficient pricing.

The Herald’s comment about people choosing to live in inner cities will infuriate many who cannot afford to. It ignores a widening geography of disadvantage abetted by glib talk about ’30-minute city’ or ‘three cities of Sydney’ which was considered in an earlier [Pearls post.](#_top) It is desirable to increase urban density in a way that enables choice for many rather than just those who have riches or rich parents. To do so will require thoughtful re-development of housing and transport in middle ring suburbs and reinforcement of nodes like Parramatta and Liverpool rather than just allowing luxurious and costly skyscrapers near inner city railway stations.

Beyond these matters the audit described arrays of transport curios including technology, ‘micro-freight’ [(continuing the lunacy)](#_top), poor regional services, truck drivers and cruise ships. The only thread to the commentary: more money please!

Finally, the audit didn’t understand some of its commissioned work. A consultant paper, using Infrastructure Australia information, showed Sydney Metro is inferior to augmentation of Sydney Trains’ system. The reason: passengers on Metro suffer a much higher crowding (37%) disbenefit than on Sydney Trains - while the passenger capacity of the systems is virtually identical. Among the implications: the Metro decisions cause unnecessary road traffic.

Worse, small [Metro](#_top) tunnels preclude high capacity trains such as being considered for Paris. The Sydney Metro route may prevent other north-south rail lines across the harbour and in the CBD. Were Metro tunnels bored at Sydney Trains size and alignments the traffic problem would diminish – even if Metro trains ran for a time.

That these facts conflict with Infrastructure Australia’s [hasty, dubious 2017 assessment](#_top) is pertinent given the hysteria about traffic gridlock between North Sydney and the CBD – after the Metro has opened!

The ‘new’ corporate Infrastructure Australia, by deficient project assessments, contributed to this mess.

The 2019 infrastructure audit: Believe it or not?

For me: Not. Bring on public inquiries!

John Austen is a happily retired former NSW and Commonwealth official living in Western Sydney.