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## **Submission to Infrastructure Victoria on Victoria's 30-year Infrastructure Strategy March 2016**

Save our Suburbs is concerned that three main aspects of process and principle are met with respect to the identification, assessment and provision of infrastructure projects:

- the necessity for governments to remain in control of urban planning and infrastructure provision, through government borrowing rather than PPP financing. Either way, this must be done transparently and without subversion of state planning goals, and should include the publishing of key information such as cost-benefit analyses
- the conclusions of independent local and international research must be taken into account, in particular the work of the late Dr Paul Mees on public transport and population density, and the Downs-Thomson Paradox regarding the efficacy of rail vs road in reducing congestion. Key information on these two issues respectively can be found at:  
[http://atrf.info/papers/2009/2009\\_Mees.pdf](http://atrf.info/papers/2009/2009_Mees.pdf)  
[https://en.wikipedia.org/wiki/Downs%E2%80%93Thomson\\_paradox](https://en.wikipedia.org/wiki/Downs%E2%80%93Thomson_paradox)  
*(an easy-to-digest summary with further links)*
- that governments must involve local communities in deliberative consultation to help identify relevant infrastructure projects and preferred methods of delivery.

While PPPs appear to be the best way to more quickly provide urgently-needed projects, much better public scrutiny is required to ensure they are value-for-money. Many critics (eg the UK National Audit Office in 2011) have found that PPPs increase the cost of public investment compared to government borrowing (at lower interest rates) to achieve the same result.

Maintaining state control of projects is also a crucial aspect of the PPP process. There have been many cases where private sector involvement resulted in the re-design of projects primarily to achieve greater private sector profit, rather than to produce better or more appropriate infrastructure that met community aspirations.

Senior economics journalist Tim Colebatch points out in his recent article *How to Bridge the Infrastructure Gap* that “it is simply a no-brainer that our governments should be borrowing as much as they can sensibly invest to start repairing the infrastructure backlog, and fit our big

cities for the growth they have had in the past decade, let alone the growth to come.”

<http://insidestory.org.au/how-to-bridge-the-infrastructure-gap>

As respected economists Max Corden and John Freebairn have argued, “it is important to avoid purely political or populist decisions in choosing government investment.”

[https://www.melbourneinstitute.com/downloads/working\\_paper\\_series/wp2013n30.pdf](https://www.melbourneinstitute.com/downloads/working_paper_series/wp2013n30.pdf)

Colebatch has also written an important explanatory piece on the Australia Infrastructure Plan:

<http://insidestory.org.au/in-infrastructure-you-get-what-youre-willing-to-pay-for>

Finally, Infrastructure Victoria should publicly recognize the difficulty of meeting infrastructure demands in an economy with a rapidly-growing population. The excessive costs involved are well outlined by Global Change Institute researcher Dr Jane O'Sullivan (U.Qld):

[https://www.academia.edu/20686395/THE\\_BURDEN\\_OF\\_DURABLE\\_ASSET\\_ACQUISITION\\_IN\\_GROWING\\_POPULATIONS](https://www.academia.edu/20686395/THE_BURDEN_OF_DURABLE_ASSET_ACQUISITION_IN_GROWING_POPULATIONS)

A simpler summary for the layperson is argued by scientist Dr Greg Davies in a recent article in the Age: <http://www.theage.com.au/comment/the-huge-hidden-cost-of-population-growth-20160219-gmyddb.html>

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FOOTNOTE: Regarding our third point above regarding community consultation, we are pleased to note that two Citizens Juries are planned for inclusion in the infrastructure debate, and that their unedited conclusions will be publicly available.

However, one of the important advantages of using deliberative community consultation is to employ it fairly early in the consultative process in order to help scope the debate and identify and then focus on factors of importance to the community. If used later in the process, for example to just prioritise proposals already drafted by politicians or the bureaucracy, it may amount to little more than window-dressing to rubber-stamp pre-determined directions, albeit with some tweaking round the edges.

In this case, there are no dates or details provided but it appears that the two events are still being organized, despite the closure in mid-March of public submissions. We look forward to finding out more about the CJ process and its timing.

We strongly suggest that the scope of the CJ process be kept as wide as possible and with input from independent as well as government and construction industry experts so all the issues outlined above will be considered, in order to maximize the voice of the community and its subsequent support for the future agenda of Infrastructure Victoria.