



# Action for Public Transport (N.S.W.) Inc.

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## 8762 EP&A Regulation 2000

### Submission on Review

Action for Public Transport (NSW) is a transport advocacy group active in Sydney since 1974. We promote the interests of beneficiaries of public transport - both passengers and the wider community. We make this submission on the review of the Environmental Planning and Assessment Regulation 2000.

#### Discussion

We are particularly concerned that several very large infrastructure projects have been approved recently despite not being in the best interests of Sydney's population. We see this as a shortcoming of the assessment process. Regulation 228 was presumably supposed to ensure that only desirable projects were approved. That is not happening. All too often the first public notice of a project is an announcement of it. From that moment, the project decision is set in concrete. The subsequent formal assessment cannot make any difference. It is just window-dressing.

It should be possible for a project to be reconsidered if the environmental impact is serious, or if the benefits cannot be shown, rather than resulting in half hearted "mitigation" or fine-tuning. It is essential to prevent contracts being let and money being committed before the EIA is done.

We quote from an article entitled "The fake economics cookbook: how to make bad transport projects look good" in *The Sydney Morning Herald* of 23 November 2017 by David Martin which discusses the matter:

There's a fiction that a benefit-cost ratio above "1" means things are OK.

Here's how it works. A consultant adds up all the costs over a period of 30 or 40 years and all the benefits. If the benefits are greater than the costs, giving a ratio of, say, 1.5, it is said to be worth doing. But if they are less, say, 0.45 (which was the ratio in the first study of in the East West Link), it is said to be a waste of money.

Often the studies are never made public, sometimes they are never conducted (as was the case with the national broadband network) and very often they are conducted as an "add-on"; financial bling to be sprinkled over the project after it has been approved and announced.

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A seminar in Melbourne last month on the use and abuse of cost-benefit analysis explored the ways.

One of the easiest is to hike the traffic forecasts. On some toll roads, the number of cars predicted to use them was greater than the capacity of the roads.

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You needn't stop at bulking up travel time saved. Also useful for bulking up benefits is "travel time reliability". It's a concept that makes sense for some types of public transport. You want trains and buses to leave and arrive on time. But it makes next to no sense to count it as a benefit for commuters in cars, who can usually leave and arrive whenever they want.

Suspiciously, it forms an important part of the claimed benefits for Sydney's Western Harbour Tunnel and Beaches Link.

And you can get more creative. You can add in the benefits of other projects tens of kilometres away as was done for the West Gate Tunnel. You can add "wider economic benefits" to fill the gap that remains.

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But the biggest fudge is the simplest. It's what you choose to compare. By not comparing the costs and benefits of the (much) cheaper rail alternatives to those of WestConnex or the Sydney F6 Extension, the government made their figures look good - but good compared to what? Economics is about choices. Studies that don't examine choices are neither economic nor meaningful.

The full article can be found at <http://www.smh.com.au/comment/the-fake-economics-cookbook-how-to-make-bad-transport-projects-look-good-20171121-gzqd3x.html>.

## **Conclusion**

We would like to see the EP&A Act followed in letter and spirit.

## **Recommendation**

We think all stages of the decision-making process should be opened to the public. From the time any large project is first mooted, the public should have access to enough information to see its justification. No construction contract should be signed until the full decision process has been gone through. The costs of investigating a possible project should be paid regardless of the decision; tenderers should not be out-of-pocket if the formal assessment finds that a project has adverse impacts or no nett benefits. Whether a project is financially viable for a tenderer is quite a different question from whether it is economically viable for the community; the two questions must be kept separate at all times.

Jim Donovan  
Secretary  
Action for Public Transport (NSW) Inc.