

IA Review Secretariat
Department of Infrastructure, Transport, Regional Development, Communications and the Arts
GPO Box 594 Canberra, ACT 2601
Via email - IA.Review@infrastructure.gov.au

Review of Infrastructure Australia

Thank you for the opportunity to provide a submission on the review of Infrastructure Australia (IA). CCF supports this review as a means to improving the quality of IA's independent advice to the Commonwealth on nationally significant infrastructure. CCF has reviewed the set of questions provided by the Department to assist in the consultation process and we are pleased to provide the following comments for the consideration of Mr Mrdak and Ms Lockwood.

Infrastructure Australia's Role

As outlined in CCF's [national policy priorities](#), CCF is committed to working with governments to harness the productive capacity of the civil construction sector, to achieve a stronger and more sustainable civil construction industry and to strengthen Australia's sovereign capability. As Australia's independent infrastructure advisor, Infrastructure Australia has an integral role to play in providing advice to governments on the necessary investments and reforms to achieve this objective. We recognise the importance of having an independent advisor to Government to ensure Australia maximises the economic, social and environmental benefits of infrastructure investment and reform. CCF closely follows Infrastructure Australia's reports and advice as they relate to the civil construction sector, particularly IA's reform recommendations.

Effectiveness

Notwithstanding CCF's general support for IA, CCF has concerns with IA's recent approach to industry engagement. The consultative process for a number of IA's reports, including its 2021 *Market Capacity Report* and 2022 *Delivering Outcomes* report appears to have been limited to a small segment of the infrastructure industry, including companies operating at the Tier 1 end of Australia's construction market (by way of background, CCF represents approximately 1,900 companies throughout Australia, many of whom are small to mid-sized operators, i.e. tier 2, tier 3 and below). As a result of this, a number of the conclusions and recommendations in these two reports were inaccurate as they failed to take into account input from small to mid-sized civil construction companies. Similarly, CCF was not consulted on the development of a proposed 'Culture Standard' for the infrastructure industry by the Construction Industry Culture Taskforce (CICT) which is chaired by a previous IA Board Member.

There is scope to expand and enhance the IA's remit to broaden its analysis of infrastructure projects so that it incorporates more mid-sized infrastructure projects. CCF notes that IA is required to review infrastructure proposals where more than \$250 million in Australian Government funding has been committed. We are of the view that the \$250 million threshold is too high and should be halved to \$125 million to ensure IA considers the business cases of mid-size projects. This will support the objective of recommending projects that achieve positive long-term economic returns and enhance Australia's sovereign capability. Furthermore, IA's assessment of infrastructure needs to include all elements of civil infrastructure, not just transport infrastructure.

Governance

CCF believes IA's role would be strengthened, and the integrity of infrastructure investment would be enhanced, if its recommendations to government more closely reflected industry views. To support this objective, CCF recommends establishing a formal mechanism, such as a 'Infrastructure Consultative Forum' (as recognised by the recent House of Representatives committee report *'Government procurement: A sovereign security imperative'*) to facilitate a two-way dialogue between key stakeholders, including IA, on critical civil infrastructure matters such as investment, procurement and enhanced skills development and training. This Forum, which CCF proposes should be Chaired by the Secretary of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts and involves the CEO of IA, would act as an avenue through which senior government officials and industry leaders could collaborate and progress reforms and innovation on key infrastructure matters. In this way, the Department could channel output from the forum up to ministerial level for consideration and decision if required. Furthermore, it could play a lead role in providing advice to Government on the implementation of policy reforms identified by IA in its Australian Infrastructure Plan, and other Infrastructure Australia reports that are produced and delivered to Government.

CCF also recommends the reinstatement of 'Infrastructure Statements' by the Prime Minister to the Federal Parliament. These statements used to occur on an annual basis but appear to have been abandoned in recent years. This statement would strengthen IA's governance by encouraging public debate on the Government's progress to implement IA's proposed reforms and infrastructure priorities.

On the matter of 'i-bodies', and further to CCF's comments in relation to industry engagement, CCF is concerned at the establishment of government / industry bodies that involve 'i-bodies' but which are not representative of the broader industry. This includes, for example, the 'Construction Industry Leadership Forum' that involves Infrastructure NSW (but not CCF) and has been responsible for developing proposals such as the 'Culture Standard' mentioned previously. As outlined in our submission on the 'Culture Standard', CCF does not support a mandated standard.

On the matter of the IA Board, it is important the Board of Infrastructure is independent so that its members can exercise autonomous judgment. Generally speaking, there is a low level of visibility among industry of the Infrastructure Australia Board, its deliberations and decisions. There would be value in increasing the transparency of the Board's decision-making processes and meeting outcomes to enable industry to better understand its policy priorities. CCF notes, for example, Infrastructure and Transport Ministers' Meetings regularly produce communiques. This approach could be adopted by the IA Board to help industry better understand the Board's priorities and decisions.

Thank you for the opportunity to provide the Review Team with this submission. I would be happy to discuss my comments with Mr Mrdak and Ms Lockwood in more depth if required.

Yours sincerely



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