## **Submission to Infrastructure Australia Review**

## By Dr Daniel T. Norton AO

12 August 2022

- As background information, I was a member of Board of IA from September 2014 (subsequent to the legislation being amended) to January 2019. I am proud of the achievements of IA during that period.
- I have also spent decades both within the public sector and outside designing, advising on and implementing public policy. One thing I have learned is that policies and initiatives usually have a 'shelf life'. Even great public policy ideas have a lifecycle and need to be reviewed, modified and sometimes 'buried' as changes occur.
- IA was a great idea and has been a very positive contributor to better infrastructure planning and implementation. But.....it is time to rejuvenate it in my view.
- Having worked with both Mike and Nicole, I'm confident that they can provide the Government with sage advice on what is working with IA and what needs changing.
- The concept of having an independent entity to advise the Australian Government on nationally significant infrastructure matters still has merit. In particular, it can:
  - take a longer term national view of emerging infrastructure issues/requirements with an element of independence
  - o provide rigorous approaches for evaluating investment proposals
  - assess/review the cost/benefit of infrastructure proposals where the Australian Government has made, or is considering, a financial commitment. (It is for the Government of the day to decide what level of commitment warrants assessment/review)
- In one way or another, I believe that these are still relevant objectives for IA.
- Having said this, there have been changes and learnings since IA was established that need careful consideration. Key amongst these have been:
  - Changes in national threats/challenges and opportunities. The agenda for infrastructure is different from when IA was initially established by legislation in 2008 and the subsequent iteration in its life when this legislation was amended in 2014
  - The establishment of State based Infrastructure bodies both complementing and potentially duplicating some of IA's responsibilities
  - Developments in some areas of national infrastructure planning that make IA's involvement problematic given the scope and capability of other institutions – energy is the best example
  - New areas of priority where there may be a role for IA such as the infrastructure implications of both climate change and policy responses to it

- Situations where IA has not had the independence originally envisaged due to Ministerial intervention
- A Board appointments process that lacks transparency and is susceptible to undue political influence (recognising of course that sign-off on appointments by Government is right and proper)
- Friction between IA and Australian Government agencies about IA's role in the provision of policy advice
- Apparent issues with staff retention.
- I urge the Review to focus on a fundamental question: how can IA best add value to the Government and the nation over the next decade? In doing this it should not be unduly constrained by the current legislative underpinnings of IA.
- I am not going to try to answer this question in this short submission because I'm probably too removed from IA now to provide a comprehensive view.
- However, one idea that I think is worthy of consideration is for the Government to more actively use IA to address pertinent research issues by giving it formal references as occurs with the Productivity Commission.
- I also suggest that the Review examine the Infrastructure Priority List process. Does it create unnecessary work for IA dealing with proponents keen to establish viable business cases? Also, does it raise unrealistic expectations for proponents that funding will likely follow from the establishment of a viable business case?
- If the Government identifies new potential areas for IA's to focus on, such as social infrastructure, careful consideration would need to be given to its capability and the resources required for it to contribute.
- I would also advise against any move to extend IA's role into any involvement with
  overviewing or managing infrastructure investments. This is an approach taken by
  some State Infrastructure bodies, perhaps with justification given their
  circumstances. However, I strongly believe that adopting such an approach with IA
  would compromise it and distract it from its prime roles.
- I can't provide informed comment on whether there have been issues with
  governance and the management of IA since my term ended in 2019. No doubt the
  Review will examine whether there are issues to address. IA certainly needs a very
  competent Board that functions well, and a strong team led by highly competent
  management.
- I apologise for the brevity of this submission but wish the Review every success it has an important role to play.