



Our ref: DGBN22/417

19 August 2022

Department of
**State Development, Infrastructure,
Local Government and Planning**

Ms N Lockwood and Mr M Mrdak AO
C/- Engagement, Advisory and Projects Section
Department of Infrastructure, Transport, Regional Development,
Communications and the Arts
IA.Review@infrastructure.gov.au

Dear Ms Lockwood and Mr Mrdak

I refer to the notification of 29 July 2022 about the independent review of Infrastructure Australia (IA).

In Queensland, the Department of State Development, Infrastructure, Local Government and Planning (the department), core infrastructure delivery agencies and central agencies all recognise the important role IA plays in guiding national infrastructure strategy and directions. IA expertise and its collaboration in working with Queensland Government agencies is valued and appreciated.

The department consulted with relevant agencies in developing a submission in response to the provided guiding questions, which is attached for your consideration. Given the short consultation period, the department has not prepared a formal Queensland Government position. It should be noted that the comments enclosed represent reflections by departmental officials in relation to some of the questions, and as a result this response has not sought to address all aspects of the review. The department would welcome the opportunity to meet with reviewers to discuss these views in more detail.

If you require any further information, please contact Mr Grant Perry, Acting Executive Director, Infrastructure Strategy and Innovation, Infrastructure and Regional Strategy, in the department on [REDACTED] or by email at [REDACTED], who will be pleased to assist.

Yours sincerely

Mike Kaiser
Director-General

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Independent Review of Infrastructure Australia – Agency feedback

Department of State Development, Infrastructure, Local Government and Planning (including Office of the Coordinator-General) agency led submission including input from:

- Department of the Premier and Cabinet
- Queensland Treasury
- Department of Transport and Main Roads

Guiding Question	Feedback Comments	Agency
1. IA role	<ul style="list-style-type: none"> • IA’s leadership and advice on cross-cutting infrastructure matters has been valuable in informing related work within Queensland Government (e.g. market capacity) • IA’s efforts in establishing partnerships and providing forums that promote collaboration between jurisdictions and combined efforts on shared objectives has been welcome. • TMR ensures that infrastructure projects represent value for money. The role of IA is to provide assurity to the Australian Government that its contribution for a committed federally-funded project represents value for money. Responding to investment and reform issues are IA's strengths, not technical knowledge. 	<p>Multiple</p> <p>Multiple</p> <p>TMR</p>
2. Effectiveness of IA including IA publications	<ul style="list-style-type: none"> • Projects are required to follow Australian Transport Assessment and Planning (ATAP) guidelines (Federal) and IA economic guidelines. However, the over-simplification of the economic guidelines disadvantages Queensland over more urbanised states. Put simply, projects in regional Queensland are not compliant with the ATAP guidelines and IA economic guidelines. It also impacts all public transport projects which, regardless of location, suffers with the measure used for economic analysis by IA. • Continual outsourcing by IA makes it difficult to have consistency in assessment and also does not allow for legacy learning or skills retention in the organization. Based on this, responding to investment and reform issues are IA's strengths, not technical knowledge. • There are benefits to bringing in IA as early as possible in the gating process for TMR projects. • For transport funding the National Partnership Agreement is an effective governance instrument. • While useful in providing a valuable national view, the <i>Australian Infrastructure Plan</i> was considered too dense to easily apply in local settings. • The issue specific or targeted reports like the <i>Infrastructure Market Capacity and Regional Strengths and Infrastructure Gaps</i> were 	<p>TMR</p> <p>TMR</p> <p>TMR</p> <p>TMR</p> <p>Multiple</p> <p>DSDILGP</p>

	<p>considered more ‘user friendly’ and valuable for jurisdictional policy and product development (e.g. Queensland’s <i>Regional Infrastructure Plans</i>, or work locally around market capacity).</p> <ul style="list-style-type: none"> • Merit in reviewing the role of the <i>Infrastructure Priority List</i> in the context of how it is used within the Australian Government, along with common misconceptions in relation to use of the word ‘Priority’ given this and the criteria for inclusion. • Infrastructure Market Capacity reports by IA are a key input for TMR in understanding the market capacity to deliver QTRIP. DSDILGP is leading a working group for Infrastructure Market Capacity for Queensland Government infrastructure works. • The Australian Infrastructure Audit (AIA) <ul style="list-style-type: none"> - The Australian Infrastructure Audit (AIA) is important for the planning pipeline and delivery pipeline. - The AIA assists TMR to reflect upon relative priorities in growth areas across Australia. It is an important reference for state, territory and national planning and delivery pipelines. - Lack of early formative consultation in compiling 2019 Australian Infrastructure Audit was noted. • The Investment Priority List (IPL) <ul style="list-style-type: none"> - The IPL provides a snapshot of major projects across Australia and where a project is in the planning phase. This provides TMR with visibility of other state and territory transport infrastructure priorities. The IPL also shows how other projects in other states and territories are responding to emergent transport needs. It provides thoughtful reflection on what TMR either needs to target or is not giving sufficient consideration. It also provides industry with visibility of potential major works in the pipeline - A nomination on the IPL does improve chances of being funded. As a negative, it sets an expectation and nominations can be made without regard to jurisdiction. - The effectiveness of IPL is not reflective of funding decisions made in advance of the planning pipeline. • The Infrastructure Australia Assessment Framework (IAAF) is useful to provide guidance. TMR aligns its framework to the IAAF. • IA has significantly improved public-facing information on its website. 	<p>Multiple</p> <p>TMR</p> <p>TMR</p> <p>TMR</p> <p>TMR</p> <p>TMR</p> <p>TMR</p>
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	<ul style="list-style-type: none"> Lack of early formative consultation in compiling 2019 Australian Infrastructure Audit was noted 	Multiple agencies
3. \$250 million project threshold - assessment process	<ul style="list-style-type: none"> There is an opportunity to review proposal thresholds for transport / road infrastructure – this could consider Queensland’s Infrastructure Proposal Development Policy which has differing thresholds. On 1 January 2021, the National Cabinet raised the threshold for projects to be evaluated by IA from \$100 million to more than \$250 million in Federal funding. TMR has not considered whether a new threshold should now be discussed. There is an opportunity to provide greater clarity around the relationship of IA’s review of proposals and Federal Government funding decisions. 	DSDILGP TMR QT
4 – 7. Governance – investment integrity, investment prioritisation, IA Board	<ul style="list-style-type: none"> IA’s Board should continue to include strong Queensland representation given the unique and decentralised nature of the state. Improved consultation would be welcome to determine the most beneficial and transformative projects are being prioritised. Suggest a wider project review criteria to include tenure issues. 	DSDILGP OCG OCG
8 -10. Other functions – Cities policy, social infrastructure, other areas of infrastructure	<ul style="list-style-type: none"> The complexity of social infrastructure (and human services) in Australian is increasing due to the pace urbanisation and other demographic trends. Given this, social infrastructure should be within the remit of IA to support leadership across jurisdictions. Supportive of a stronger focus on digital infrastructure given the widening of ‘digital divide’ between our capital cities and regional and remote centres. Propose strengthening engagement with local governments recognising vital link to local community on land-use planning and investment planning. Supportive of a continuing role and focus nationally in assessing and supporting improved productivity in infrastructure sector. In the published QTRIP 2022-23 to 2025-26, there are 16 project investments with an Australian Government contribution over \$250m. This is a significant throughput of projects coming through for IA review from TMR alone. This does not capture the other outputs from IA such as the Infrastructure Market Capacity reports, AIA, IPL and IAAF, and other reports by the IA. The workload of IA is significant and any broadening 	Multiple agencies DSDILGP DSDILGP/OCG Multiple agencies TMR

	<p>the scope of IA in the future, will need to address current problems in delivering consistently over time. IA needs a resource plan to go with a scope plan if this is proposed.</p> <ul style="list-style-type: none"> • It is suggested that IA's role recognise the State government's independent reviews and internal agency assurance processes when evaluating project submissions. • IA better positioned to do harder policy decisions like Road User Charging for Electric Vehicles. • The "Six-point plan for cities policy" was announced by the Australian Labor Party in the lead-up to the 2022 Federal Election. It is a policy initiative proposing City Deals into genuine city partnerships, and creation of an Australian Cities and Suburbs unit (CSU) as part of the renewal of IA. • Engagement by IA with CSU would best be used at the Stage 1 "Problem Identification and Prioritisation" proposal (early engagement) stage. Because this is the start of a project. Further, Queensland projects which currently fail under ATAP provisions may be assisted by the CSU providing a different and more relevant focus for public transport and for a vast State with a dispersed population. 	<p>TMR</p> <p>TMR</p> <p>TMR</p> <p>TMR</p>
11. The Future Investment Challenge – Decarbonisation, Economy transition	<ul style="list-style-type: none"> • Regarding the role and responsibilities of IA in relation to energy transition and decarbonisation, propose that this be considered with options provided to stakeholders for consideration. 	DSDILGP

Agencies:

DPC – Department of the Premier and Cabinet

QT – Queensland Treasury

DSDILGP – Department of State Development, Infrastructure, Local Government and Planning

TMR – Department of Transport and Main Roads

OCG – Office of the Coordinator-General