

Our Ref: JLC:JH:B1330682

12 August 2022

Director - Engagement, Advisory and Projects Section
Department of Infrastructure, Transport,
Regional Development, Communications and the Arts
GPO Box 594
CANBERRA ACT 2601

By Email: IA.Review@infrastructure.gov.au

Dear Colleague,

Infrastructure SA Response to Independent review of Infrastructure Australia

Infrastructure SA (ISA) appreciates the opportunity to provide input in the Infrastructure Australia (IA) Review.

IA has an important ongoing role to ensure that Australia has the necessary infrastructure to support sustainable and inclusive growth and address the challenges facing Australia in the coming years. However, since IA was established the states have now established their own infrastructure bodies and so it is appropriate to consider what IA's role should be going forward.

There is significant value in IA taking a national leadership role and facilitating collaboration between the different infrastructure bodies where the issues are nationally significant and consistent across the nation. The work that IA has done through its Market Capacity Program has been very valuable and insightful. The ability to take this national dataset and analysis and to work with the state and territory based infrastructure bodies to drill into local jurisdictional market capacity issues will add further value. There is likely to be an ongoing pipeline of work where IA could play a similar role such as addressing resilience and net zero challenges.

ISA sees value in IA continuing to deliver the Infrastructure Audit and Infrastructure Plan. However, the approach to those products should now recognise that there are separate state-based infrastructure bodies that produce their own plans or strategies. It would be more efficient and valuable for IA to engage with the state and territory based bodies through the development and if there was a natural hierarchy how the different documents talk to each other. IA should focus on matters that are either nationally significant or where there is value in a national approach to a consistent problem or challenge.

The market finds value in transparency of a national pipeline of projects. The challenge recently with the Infrastructure Priority List is that it has become disconnected from decision making. For it to be truly valuable for the market it should better reflect what the priorities are for Government or at least should influence Government decision making. ISA also suggests that the definition of "*nationally*

significant” should also be reviewed. The different definition of nationally significant (i.e. \$30m pa) to the threshold for project review (i.e. \$250m) does cause confusion and smaller states, such as South Australia, are disadvantaged by the \$30m pa threshold which naturally favours higher volume projects.

ISA understands that there is value in the Commonwealth having an independent review of project business cases to provide assurance over Commonwealth expenditure. However, since IA was set up each state has established its own assurance process and agencies do suffer from duplication of effort and work. Continued efforts should be made to streamline this and understand what comfort the Commonwealth might derive from a state-based assurance process. Any business case review by IA should focus on material issues that influence decision makers rather than technical issues that do not change the outcome. An area where IA could create value would be undertaking post completion reviews where IA could share the lessons learned with other jurisdictions to minimise risk in future projects. Having a view across the national pipeline would provide a richer dataset than each jurisdiction doing its own review.

It is not clear what role IA or the Commonwealth should have in driving cities policy. ISA believes that IA’s focus should remain on economic infrastructure but where social infrastructure relates to economic infrastructure or where social infrastructure is nationally significant itself; ISA believes there is merit in including it within scope of IA’s remit. Furthermore, ISA appreciates operational investment by defence should be out of scope, however, defence related infrastructure investments should be in scope. Excluding defence infrastructure is a significant gap in the market capacity work as it will impact similar supply chains.

ISA supports skills-based boards. Considering the national role of IA, ISA believes it is important to have some smaller states represented on the Board. They should not be advocates for their home state but smaller states have different issues that may be overlooked by the larger markets. ISA has also found value in having key public servants as ex officio members on our Board. This helps facilitate a connection with the Government. This should not compromise the independence of the advice from IA but does help ensure it is relevant and provides value to the government.

ISA would be happy to discuss the above matters or any other issue related to the review at your convenience.

Yours sincerely
Infrastructure SA



Jeremy Conway
Chief Executive