

Mike Mrdak AO & Nicole Lockwood

c/- Director - Engagement, Advisory and Projects Section

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## **Independent Review of Infrastructure Australia**

Dear Mr Mrdak & Ms Lockwood,

On behalf of Infrastructure Victoria, I am pleased to provide this submission to the Independent Review of Infrastructure Australia.

Infrastructure Victoria regularly engages and collaborates with Infrastructure Australia and other infrastructure advisory bodies ('iBodies'). Our unique governance model as an iBody within Australia ensures we are well placed to comment on the importance of these bodies in infrastructure planning and policy development.

## **Functions of Infrastructure Victoria**

Established in 2016, Infrastructure Victoria is an independent advisory body with three primary functions:

- preparing a 30-year infrastructure strategy for Victoria, which is refreshed every three to five years
- providing written advice to government on specific infrastructure matters
- publishing original research on infrastructure-related issues.

Infrastructure Victoria also supports government departments and agencies in the development of sectoral infrastructure plans. Our organisation does not directly oversee or fund infrastructure projects.

The *Infrastructure Victoria Act 2015* lays out a series of requirements for assessment of Victorian Government progress against the recommendations outlined in the state's 30-year infrastructure strategy.

In August 2021, Infrastructure Victoria tabled *Victoria's infrastructure strategy 2021–2051* in the Victorian Parliament – the second cross-sectoral strategy since the organisation's inception. The strategy contains 94 recommendations for projects, policies and reforms to confront long-term challenges, manage urban change, harness infrastructure for productivity and growth, and develop regional Victoria.

In accordance with the Act, the Victorian Government responded to these recommendations when it published its new 5-year infrastructure plan, the *Victorian infrastructure plan 2021*, late last year.

The Act also requires Infrastructure Victoria to assess the government's specified priorities and progress in meeting the infrastructure needs identified in the 5-year infrastructure plan, ensuring an

independent review of government progress. This assessment must be documented and reported in our annual report.

### **Governance & Independence of Infrastructure Victoria**

The Act has key provisions which ensure Infrastructure Victoria operates independently:

#### *Objective of independence*

Infrastructure Victoria's legislated objective is to provide independent and expert advice about Victoria's current and future infrastructure needs. This independence strongly informs the organisation's culture and behaviour.

#### *Independent board*

Infrastructure Victoria's board consists of 7 directors. Four of these directors are appointed by the Governor in Council and must meet private sector knowledge and experience requirements. Appointed board members cannot be removed without the agreement of the Governor of Victoria. The Chair of the board cannot be removed without a statement of grounds being provided to Parliament. Three of the board directors are Secretaries of Victorian Government departments. These Departmental Secretaries appropriately represent and inform Infrastructure Victoria. While acting in their role with Infrastructure Victoria, all board directors have a legal duty to give priority to the best interests of the organisation.

#### *No Ministerial direction or control*

Infrastructure Victoria is not subject to direction or control of the Minister when it performs functions such as development of the 30-year infrastructure strategy, undertaking research or supporting development of sectoral infrastructure strategies. A Departmental Secretary cannot be directed by a Minister in relation to his or her role as a director of Infrastructure Victoria.

#### *Freedom to publish*

Infrastructure Victoria does not require the approval of the government to publish its 30-year strategy or research. The 30-year strategy is transmitted to the Parliament for all Victorians to see as soon as possible after it is completed.

#### *Independence of advice*

The Minister may request that Infrastructure Victoria provide the government with advice on infrastructure matters. The Minister cannot direct what Infrastructure Victoria's advice will be in response to such a request.

#### *Power to obtain information*

Infrastructure Victoria has the power to request information from the public sector to perform its functions. This information must be provided in a timely and efficient manner. Infrastructure Victoria also has the power to receive confidential information from anyone and not disclose it – even to the government – without consent.

## Value of Independent Infrastructure Bodies

There is an increasing recognition of the role and value of independent infrastructure bodies globally. A 2021 review conducted by the International Transport Forum of strategic infrastructure planning governance approaches [Developing Strategic Approaches to Infrastructure Planning \(itf-oecd.org\)](https://www.itf-oecd.org), including that of Infrastructure Victoria, found “clear signs that the independent bodies have achieved some success” and that independent infrastructure bodies play a valuable role in enabling difficult issues; lend credence to policy and advocacy reform; and “provide genuine thought leadership” on issues including those that are challenging and unpopular.

The International Transport Forum recommended “governments consider the merits of establishing independent infrastructure advisory bodies to provide transparent, expert advice on long-term, cross-sectoral infrastructure strategy, planning and policy development, as well as priorities for medium-to-longer-term infrastructure investment.” It found evidence to date shows these bodies constitute a low-cost and effective means of improving and complementing existing processes and that establishing independent advisory bodies by statute “enhances their ability to provide frank and fearless advice and their credibility with a range of stakeholders.”

This finding is consistent with feedback from Infrastructure Victoria’s stakeholders. Earlier this year, we commissioned our second independent assessment of stakeholders’ perceptions of Infrastructure Victoria to measure our approach to engagement and effectiveness in delivering on our strategic objectives and legislated functions.

Feedback was positive, with stakeholders reporting that Infrastructure Victoria develops robust, evidence-based research and advice that is used and trusted by a wide range of audiences. Stakeholders particularly value our integrity, transparency and credibility and clear advice on priorities for infrastructure reform and investment. The assessment found that Infrastructure Victoria scored highly across three key research domains: trust, value and communication. The research findings will inform our planning and future approach to stakeholder engagement, supporting continuous improvement.

Infrastructure Victoria Chair Jim Miller and I would welcome the opportunity to meet with Ms Lockwood and Mr Mrdak to discuss the unique and varied roles and experiences of iBodies, both in Australia and internationally, which will be of interest as part of their review.

Yours sincerely,

A handwritten signature in black ink that reads "Jonathan Spear".

Dr. Jonathan Spear  
Chief Executive Officer  
Infrastructure Victoria

12 August 2022