

4 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 Ms Lockwood and Mr Mrdak

Response to Request for Submissions

It is with great pleasure that I provide this written response to you in response to your request for submissions.

I have answered a number of questions posed in your request letter and I have also added some additional commentary that I believe is relevant to be considered as part of a review.

Answers to Listed Questions:

Q: Do you consider IA best placed to provide advice on nationally significant infrastructure?

A: Yes

Q: How can IA best support infrastructure investment into the future?

A: By retaining an executive team of the highest competency with national or international experience who complete policy work to guide project proponents and review business cases to assess and prioritise projects using an agreed framework

Q: Is there a role for a national investment plan, and if so, what role should IA take in this?

A: Yes, a lead role

Q: Do you think this (\$250m) is the right threshold? Why or why not?

A: No, too high. Suggest tiered levels based on project location (major capitals higher, minor capitals less and rural and regional far less)

Q: What other considerations do you think are appropriate for IA to evaluate a business case?

A: Location, as per above; and whether project is a part of a broader project or scheme

Q: How could IA's role be strengthened to improve the integrity of infrastructure investment across Australia, and across industries?

A: Legislate that all projects must come through IA for assessment

Other Comments:

To attract and retain an executive team of the highest competency with national or international experience there must be a diverse, competent and experienced Board. A Board of 6-8 persons with a chair elected by the Board is in my opinion likely to give rise to the most functionality and best chance for successful and efficient governance.

Tenure of board members of 3 years is in my opinion too short and leads to

1. limited retention of corporate knowledge;
2. wasted time spent onboarding board members by the executive team; and
3. a lack of stability which negatively impacts IA's ability to attract and retain staff.

I don't consider that IA should be replaced by Government rather that it should work hand in hand with Government and make sure it draws in appropriate skills and experience through executive and Board recruitment processes.

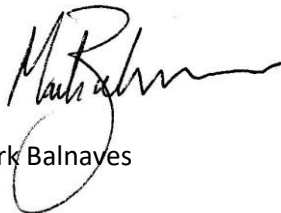
I do think that IA should have a key role setting the right rate or range of rates used by all proponents to discount their projects to calculate NPVs. Disparity in rates currently seen across jurisdictions is a cancer on project assessment. IA needs to play a lead role in this process as IA will need to stand by the resultant NPV calculations.

Conclusion

I would be pleased to discuss any of these any matter with you at anytime and can be contacted on

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Yours faithfully



Mark Balnaves