

The logo for Optus, consisting of the word "OPTUS" in a bold, teal, sans-serif font.

Submission to Infrastructure
Australia

**Review of Infrastructure
Australia**

Public Version

August 2022

INTRODUCTION

1. Optus welcomes the opportunity to provide a submission on the review of Infrastructure Australia (IA).
2. Optus is the owner and operator of significant national communications infrastructure and the supplier of important carriage and content services to a large portion of the Australian community (over 11 million services).
3. Optus offers four suggestions for potential reforms:
 - (a) Take more of a **cross-sectoral approach** to infrastructure needs and investment;
 - (b) Consider **broadening the criteria for value for money assessments** to include broader policy goals;
 - (c) **Ensure each sector has an infrastructure strategy** against which decisions can be assessed;
 - (d) Consider how IA can ensure a continued role for government in grant funding to support **connectivity in remote and regional areas** and enable a more competitive environment.
4. In addition, this submission provides Optus's response to some of the specific questions raised in the discussion paper. Further detail is provided below and Optus would welcome the opportunity to discuss these issues further.

SUBMISSION

General Suggestions

5. Optus recommends that IA take more of a cross-sectoral approach to infrastructure needs and investment. Many sectors, for example, have their own bodies looking at investment (e.g. the roads council) but it is not clear if there is a singular entity looking at the cross-sectoral benefits of particular infrastructure investments. This is especially relevant for the telecommunications sector, the infrastructure for which functions as a key enabler for a range of other sectors.
6. Related to this, IA could consider expanding the criteria it uses for value for money assessments to include broader policy goals (i.e. beyond those directly related to a particular investment). For example, IA could consider how physical infrastructure investments contribute to digital economy objectives. Given the increasingly integrated nature of the Australian economy, this would ensure that the flow-on effects of particular investments are better considered.
7. Infrastructure Australia could play a role in ensuring that each sector has a stated infrastructure strategy against which decisions can be assessed, while also connecting these strategies to broader common goals. This would create a common framework across all sectors under which investment decisions are assessed as well as incentivising investments that contribute to common objectives.
8. A key interest for Optus is ensuring connectivity and competition in regional Australia. To this end, we recommend Infrastructure Australia consider how it can ensure a continued role for government in grant funding to support connectivity in remote and regional areas

and support for a competitive environment. While current grant programs do not reach the \$250m threshold, we encourage IA to consider whether a more substantial investment program is required to ensure adequate connectivity and competition in regional Australia.

9. Optus notes, for example, the government's commitment of almost \$500 million to improve NBN access in regional Australia. Further and ongoing government investment in regional mobile connectivity would have substantial economic benefits in regional Australia and help to improve community resilience during times of natural disaster.

Responses to Questions

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

10. Related to our point about an infrastructure strategy, IA could work with policy agencies to develop a national plan that integrates IA's operational and project expertise with broader policy objectives. For example, a national plan could outline a set of common, economy-wide infrastructure objectives combined with a 'best practice' approach of how to manage an infrastructure pipeline to support those objectives. The sector-based infrastructure strategies mentioned above could then provide more detailed roadmaps for how each sector can support the national plan.

IA is required to review infrastructure proposals where more than \$250 million in Australian Government funding has been committed.

- *Do you think this is the right threshold? Why/why not?*
 - *What other considerations do you think are appropriate for IA to evaluate a business case?*
11. A purely monetary threshold may not be optimal and Optus suggests that key policy objectives could form part of the threshold too. This might be achieved through incorporating key objectives of a national plan into investment thresholds. For example, investments that have the potential to make a significant contribution to one or more core objectives would be reviewed even if they do not meet the current \$250m threshold. Infrastructure Australia could develop some guidance material to help inform infrastructure providers and government agencies about how such thresholds work.

CONCLUSION

12. Optus welcomes the opportunity to contribute to the review of Infrastructure Australia and a summary of our core recommendations is as follows:
 - Take more of a **cross-sectoral approach** to infrastructure needs and investment;
 - Consider **broadening the criteria for value for money assessments** to include broader policy goals;
 - **Ensure each sector has an infrastructure strategy** against which decisions can be assessed;
 - Consider how IA can ensure a continued role for government in grant funding to **support connectivity in remote and regional areas** and enable a more competitive environment.

Optus thanks Infrastructure Australia for the opportunity to provide a submission and would welcome the chance to discuss these issues in further detail.

[END OF SUBMISSION]