



2 March 2017

The Hon Scott Morrison MP
Treasurer
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

Treasurer,

**RE: PRE-BUDGET SUBMISSION ON THE PROPOSED CUT IN FUNDING
FOR
INFRASTRUCTURE AUSTRALIA**

I am pleased to make this second, further pre-budget submission, which deals with the level of agency funding for the Commonwealth's independent infrastructure agency, *Infrastructure Australia*.

OUR UNDERSTANDING OF THIS ISSUE

- i. *Infrastructure Australia* was formed by the previous (Labor) government in 2008;
- ii. The agency was substantially overhauled by your Government in 2014 to "broaden the current infrastructure reform agenda in collaboration with jurisdictions and industry to improve productivity and drive economic growth"¹;
- iii. These changes sought to increase IA's institutional independence and organisational governance, as well the scope, breadth and depth of its policy and reform functions;
- iv. One further change sees *Infrastructure Australia* also required to undertake detailed assessments of infrastructure projects receiving or seeking a Commonwealth funding allocation larger than \$100 million;
- v. The Government's changes to *Infrastructure Australia* have materially increased the expectations and requirements on *Infrastructure Australia*;
- vi. *Infrastructure Australia*'s budget has averaged \$11.5m per annum, over the past 3 years; and
- vii. The next year's budget sees IA's agency funding reduced by 24 per cent, from the 2016/17 fiscal year.

OUR RECOMMENDATION:

- i. *Infrastructure Australia*'s agency funding should be maintained at the current level of \$11.5m.

¹ *Infrastructure Australia Amendment Bill 2013*, Second Reading, November 2013





CONCLUSION

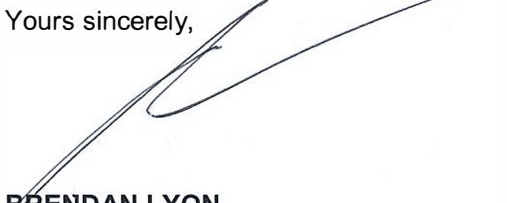
Treasurer, we respectfully submit that *Infrastructure Australia's* budget should be maintained at the current level – noting that the fiscal savings of the cut are negligible on the one hand; and that the national benefit enhanced through a standing, independent infrastructure agency are substantial.

Thank you for your consideration of this further pre-budget submission.

I have now requested a meeting with you to discuss this and our submission of 24 February; and in anticipation I look forward to discussing these matters in person.

In the meantime, if your office would like further details, please contact our Government Relations Adviser, Varsha Maharaj, on (02) 9152 6015 or at varsha.maharaj@infrastructure.org.au anytime.

Yours sincerely,



BRENDAN LYON

Chief Executive Officer

CC: The Hon Malcolm Turnbull, Prime Minister
The Hon Barnaby Joyce, Deputy Prime Minister
The Hon Julie Bishop, Deputy Leader of the Liberal Party
Senator the Hon Fiona Nash, Deputy Leader of the Nationals
The Hon Darren Chester, Minister for Infrastructure and Transport
Senator the Hon Mathias Cormann, Minister for Finance
The Hon Paul Fletcher, Minister for Urban Infrastructure
Dr Martin Parkinson AC, PSM, Secretary Department of Prime Minister & Cabinet
Mr John Fraser, Secretary to the Treasury
Mr Mike Mrdak AO, Secretary, Department of Infrastructure & Regional Development
Ms Rosemary Huxtable PSM, Secretary, Department of Finance

