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Director - Engagement, Advisory and Projects Section
Department of Infrastructure, Transport, Regional Development, Communications and the Arts
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Via email: IA.Review@infrastructure.gov.au

SUBMISSION TO THE INDEPENDENT REVIEW OF INFRASTRUCTURE AUSTRALIA

Infrastructure Partnerships Australia is pleased to provide this submission in response to the independent review of Infrastructure Australia.

Infrastructure Partnerships Australia is an independent think tank and executive member network, providing research focused on excellence in social and economic infrastructure. We exist to shape public debate and drive reform for the national interest.

Infrastructure Australia has been, and should continue to be, an important part of the architecture that informs sound investment and policy decisions in the Australian infrastructure market. Infrastructure Australia has directly and indirectly influenced infrastructure decision making for the better - but with material change to the quantum of infrastructure investment, and the maturity of approach across jurisdictions, this is an opportune moment to consider optimising Infrastructure Australia's form and function. As such, Infrastructure Partnerships Australia and its members strongly support the Independent Review and the intent to recalibrate Infrastructure Australia.

This submission is intended to provide a strategic perspective and should be considered alongside our broader engagement with the Review. Infrastructure Partnerships Australia is also pleased to be supporting the review by facilitating engagement with our members, including all of Australia's state and territory infrastructure advisory bodies (i-bodies).

Infrastructure Australia should be useful to government, relevant to industry and provide value to the taxpayers who ultimately fund it

Independent infrastructure advisors exist on a spectrum between independence and influence, often with their placement on the scale changing over time to respond to the dynamics in a particular jurisdiction. In some instances, this recalibration is through modification to governance and function, while in others the change is more subtle through practice and behaviour. Of crucial importance is that the advisor does not find itself in a circumstance where it is considered too independent to be influential, or captured such that its independence and objectivity is in question.

A more prescriptive approach to the subject or challenge that is to be addressed by an infrastructure body does not undermine its capacity to offer independent advice about that subject. As such, it is our view that the Independent Review should consider a move away from self-directed and standing programmes for Infrastructure Australia's policy programme towards a referral model. This would place Infrastructure Australia



appropriately closer to decision making, enhance its capacity to provide timely and relevant advice, and give decision makers access to high-quality independent advice about challenges they have sought advice on. This approach would enhance Infrastructure Australia's relevance and value to decision makers without diminishing its independence.

National significance needs to be redefined

National significance has been a central plank of both Infrastructure Australia's policy work and project assessment since inception. However, the clarity of definition and adherence to the principle has drifted over time. Infrastructure Australia, and the proponents of the projects it assesses, would benefit from much greater clarity on what constitutes a nationally significant policy or investment intervention. Whilst adherence to a dollar figure threshold of capital spend has attractions for simplicity, it is a blunt measure that is unlikely to capture the nuances inherent in investment and policy decisions. Either separately, or in combination with a dollar threshold, the Independent Review should consider a principles-based definition of national significance.

This approach should be supported by a more explicit view from Government about the objectives it seeks to meet from the taxpayer dollars it invests. A 'Government policy statement' on infrastructure, stable over time but responsive to prevailing Government strategic objectives, would be enormously beneficial to not only Infrastructure Australia, but also jurisdictions seeking Commonwealth co-investment. This would also provide the freedom to complement Infrastructure Australia's strong pedigree in economic assessment with a more complete approach that appropriately weights the full range of impacts an intervention can achieve.

The pre-eminence of Infrastructure Australia's Board should be reasserted

Infrastructure Australia must have a highly experienced, skilled, diverse and respected Board if it is to meet community expectations. Indeed, Infrastructure Australia's strongest contributions to policy and investment has occurred during periods where the entity was 'the Board' rather than in periods where the secretariat was pre-eminent. Reasserting Infrastructure Australia as 'the Board', either through structure or behaviour, will be an important component of equipping the organisation to meet contemporary challenges.

In addition to a diverse and experienced Board, the infrastructure sector's view is that the inclusion of some senior Commonwealth Public Service representation would be beneficial. Ideally, this representation would be Secretary or Deputy Secretary level and drawn from Treasury and/or the Department of Prime Minister and Cabinet. The majority of the Board should remain independent of government and comprised predominantly of individuals with experience outside of the public service. Board members drawn from outside of the public service should be selected based on the respective skills and experience, rather than their current or historical institutional ties.

Infrastructure Partnerships Australia looks forward to further assisting the Independent Review. If you require additional detail or information please do not hesitate to contact Mollie Matich, Director, Policy and Research, on (02) 9152 6000 or mollie.matich@infrastructure.org.au.

Yours Sincerely,



ADRIAN DWYER
Chief Executive Officer

