

Statement of Expectations
For the Board of Infrastructure Australia
For the period 1 July 2017 to 30 June 2019

This Statement of Expectations (the Statement) outlines my expectations of the operations and performance of Infrastructure Australia (IA).

The Australian Government expects that IA efficiently and effectively performs its statutory functions to deliver high quality advice on Australia's requirements for nationally significant infrastructure.

This Statement reflects the governance and performance requirements specified in the *Infrastructure Australia Act 2008* (Act No. 17 of 2008 as amended) which came into effect on 1 September 2014. It sets out the expectations of IA and the Board, in terms of its key legislative and work programme responsibilities. It replaces all other Statements IA has been provided in the past.

IA should have regard to the Australian Government's priorities in infrastructure policy, including the capacity of infrastructure to make our cities function more efficiently and be more liveable; stimulating the role of private sector financing and funding in the provision of infrastructure, including through value capture; and encouraging a better integration of transport infrastructure planning and land use and property planning, including for example through zoning for higher densities around heavy and light rail stations and stops.

The Australian Government expects IA to contribute to the efforts of all levels of government to build a strong and prosperous economy by providing robust, independent and evidence-based advice on Australia's future infrastructure needs. This includes identifying gaps in Australia's infrastructure as well as maintaining and regularly updating a priority list, based on robust analysis and strategic long term planning, of nationally significant infrastructure proposals.

The advice provided by IA will be a key input in guiding the Australian, as well as state and territory governments when making major infrastructure investment decisions.

I expect the Board to:

- ensure IA acts in accordance with the *Infrastructure Australia Act 2008* (No. 17, 2008 as amended) and the *Public Governance, Performance and Accountability Act 2013* (and associated regulations), as well as other relevant legislation and legal instruments;
- ensure IA operates in accordance with the Government's intended and publicly stated commitments in regard to its functions;
- consult and establish productive working relationships with key infrastructure stakeholders, including all levels of Government (Commonwealth, state, territory and local governments) and other relevant bodies and organisations, including state infrastructure advisory bodies and industry;
- continue to develop a strong capability to provide robust and independent advice to government on infrastructure policies and reform, across the transport, water, telecommunications and energy infrastructure sectors, including social infrastructure (excluding Defence), with a focus on building productive cities and regions;
- promote best practice in reforming strategic infrastructure planning, improved asset utilisation (enhanced use of technology and network optimisation), and project identification for the infrastructure priority list, the development of business cases whole of life asset management, and improved asset utilisation (enhanced use of technology and network optimisation);

- support the development of policy on funding and financing, including having regard for the work of the Infrastructure and Project Financing Agency and the Northern Australian Infrastructure Facility;
- keep me informed of IA's actions in relation to the initiatives and activities stated below, and alert me to events or issues that may impact on the operations of IA, including the provision of timely quarterly reports of progress against the Statement; and
- provide a progress update on initiatives and activities stated below to the Ministerial Transport and Infrastructure Council as required.

Over the period of this Statement of Expectations, I expect IA to deliver on:

Australian Infrastructure Audit

- *develop* the second *Australian Infrastructure Audit* (the Audit). The Audit should:
 - identify and measure gaps in Australia's infrastructure, including current gaps and gaps expected to emerge as projected future demand exceeds available capacity;
 - identify opportunities to support economic growth through better use of existing infrastructure and strategic investment in additional capacity; and
 - be completed by 30 June 2019.

Infrastructure Priority Lists

- *maintain* the top down infrastructure priority list of nationally significant proposals that:
 - ensures a proposal is included in the list based on assessed merit (including in relation to the cost benefit analysis); and
 - is updated regularly to ensure relevance and currency.

Evaluation of Infrastructure Proposals

- *evaluate* project proposals that are nationally significant or where Commonwealth funding of \$100 million or more is sought;
 - Recognising IA's role to provide advice to governments to inform future infrastructure priorities, the Australian Government's focus for IA is to perform evaluations of projects where Commonwealth funding has yet to be committed.
 - In particular, IA is expected to:
 - *review* the cost-benefit analysis provided by proponents for economic infrastructure proposals (transport, water, energy, communications) and social infrastructure proposals (excluding any Defence proposals);
 - *undertake* these in a timely manner;
 - *publish* its findings in a timely manner; and
 - *ensure* the findings inform the Infrastructure Priority List as appropriate.
- *approve* a methodology or methodologies (if required for different sectors) that enables proposals to be compared.

Australian Infrastructure Plan

- *maintain* the currency of the data and analysis of the current *Australian Infrastructure Plan* (the Plan);
- *support* governments in the implementation of recommendations from the Plan; and
- *provide input* into key infrastructure reform initiatives announced through the Australian Government's response to the Plan, including:
 - Contributing to an independent inquiry to examine how the productivity and efficiency of Australia's freight supply chain can be lifted to inform the development of a national freight and supply chain strategy; and

- Contributing to a study into the potential benefits and impacts of road user charging for light vehicles, including support for the study process and secretariat if required.

In addition, I expect that IA will:

Corporate Plan

- *prepare* corporate plans on an annual basis with regard to the requirements specified under Section 39B of the *Infrastructure Australia Act 2008* and Section 35 of the *Public Governance, Performance and Accountability Act 2013*.

Working with Departments

- continue to *work closely* with the Department of Infrastructure and Regional Development;
- *work closely* with all relevant departments and facilitate the sharing of information, where appropriate, on infrastructure priorities so that the relevant department can provide timely advice to the Government on infrastructure funding decisions.

Statement of Intent

- I would like to receive a response to this Statement of Expectations in the form of a Statement of Intent by 1 August 2017.



Paul Fletcher
Minister for Urban Infrastructure

15 / 6 /2017