



**Infrastructure
Australia**

Infrastructure Australia Statement of Intent

2015 – 2017

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Introduction

Infrastructure Australia is an independent statutory body with a mandate to prioritise and advise on nationally significant infrastructure.

Infrastructure Australia (IA) provides independent research and high quality advice to all levels of government, as well as investors and owners of infrastructure, on Australia's requirements for nationally significant infrastructure.

IA provides advice and advocates for reforms on key issues including financing, delivering and operating infrastructure and how to better plan and utilise Australia's infrastructure networks.

The strategy and operational functions of IA are guided by the *Infrastructure Australia Act 2008* (no.17 as amended) and other Commonwealth guiding legislation including the *Public Governance, Performance and Accountability Act 2013* and the *Income Tax Assessment Act 1997*.

IA is responsible to the Minister for Territories, Local Government and Major Projects.

The Minister issued a Statement of Expectations to IA for the period of 1 November 2015 – 30 June 2017 providing guidance on the Australian Government's expectations relating to the strategic direction, operation and performance of IA.

This Statement of Intent, in conjunction with the Corporate Plan, responds to the Government's expectations by identifying the key objectives and related initiatives to be delivered by IA for the period 1 November 2015 – 30 June 2017.

This Statement of Intent outlines:

- The specific priorities IA will be accountable for delivering in the period 1 November 2015 – 30 June 2017;
- How IA will continue to establish itself as a trusted advisor to governments and industry, on the planning, funding and financing, delivery and maintenance of infrastructure; and
- The governance and performance arrangements that will enable IA to demonstrate that it is efficiently and effectively performing its statutory functions.

Infrastructure Australia Priorities 2015 - 2017

The Australian Infrastructure Plan

Statement of Expectations, 1 November 2015

I expect IA to:

- *finalise and deliver the first Australian Infrastructure Plan. The Plan should:*
 - *take into account the outcomes of the Australian Infrastructure Audit and the Northern Australia Infrastructure Audit, and the Priority Lists and where appropriate project evaluations undertaken by IA;*
 - *consider, when identifying Australia's future infrastructure needs, the relevant infrastructure characteristics that are required to service those needs, including planning, policy, technology and regulatory approaches to improve the efficiency of existing infrastructure assets and lessen the need for additional infrastructure capacity;*
 - *clearly specify infrastructure priorities at national and state levels for the period covered by the Plan;*
 - *articulate a time frame in which the priorities need to be developed, commencing with those of highest productivity value;*
 - *only recommend specific infrastructure projects where an evaluation has been undertaken;*
 - *be a rolling plan, which will be updated at least every five years, in close consultation with Commonwealth, state and territory governments, to accommodate changes in Australia's infrastructure needs; and*
 - *be completed by the end of 2015, subject to final consultation with governments for transmission in 2016 to the Government.*

IA will develop a 15 year rolling national infrastructure plan that clearly identifies the reform and capital investment priorities at a national and state and territory specific level, by the end of 2015, subject to final consultation with key stakeholders.

The Australian Infrastructure Plan (the Plan) will address the key challenges raised by the Australian Infrastructure Audit and identify a range of investment and reform priorities to be implemented in the coming 15 years, to increase productivity and support economic growth.

The Plan will be informed by the outcomes of the Audits, and of any evaluations of infrastructure project proposals undertaken.

The Plan will both inform and be informed by the development of the Infrastructure Priority List where relevant.

The development of the Plan will be the result of close consultation with state and territory governments.

The Plan will be complete subject to final consultations with jurisdictions by the end of 2015 and will be updated at least every five years.

Australian Infrastructure Audit and Northern Australia Audit

Statement of Expectations, 1 November 2015

I expect IA to:

- *maintain the currency of the data and analysis for both the Australian Infrastructure Audit and the Northern Australia Audit, in order to inform future Australian Infrastructure Plans, Priority Lists, updates and project evaluations.*
 - *A key focus should be for IA to augment its dataset and refine its analysis across all sectors of infrastructure as well as it has for the transport sector.*

IA will undertake quality research and analysis which maintains and adds value to the infrastructure evidence base.

The Australian Infrastructure Audit found that there is a lack of access to consistent and reliable data on the utilisation and operation of Australia's infrastructure networks to inform decision making.

IA will play an active role in ongoing research and collaboration initiatives that promote and develop effective data and information sharing, analysis and benchmarking. In particular, IA will undertake initiatives to maintain the currency of its data to inform future Audits, plans, priority lists and project evaluations.

Evaluation of Infrastructure Proposals

Statement of Expectations, 1 November 2015

I expect IA to:

- *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.*

IA will undertake evaluations of the assessment of project proposals on all infrastructure proposals that are nationally significant or where funding of more than \$100 million is sought from the Commonwealth. This includes infrastructure proposals across all sectors but excludes defence proposals.

The evaluations will be undertaken routinely and summaries of any proposals evaluated will be displayed on IA's website as soon as is practicable after the assessment is complete, and by the end of the following quarter after completion of the assessment.

To allow comprehensive comparisons, IA will continue to work with stakeholders to periodically review the assessment framework and supporting material that IA requires proponents to use when submitting proposals to IA for evaluation.

In particular, a future review will consider guidance on how broader costs and benefits (in addition to direct economic costs and benefits) can be measured and applied, in a consistent way.

These ongoing reviews will be informed by any relevant findings from IA's other activities.

Infrastructure Priority Lists

Statement of Expectations, 1 November 2015

I expect IA to:

- *utilise the Australian Infrastructure Plan to develop a top down infrastructure priority list of nationally significant proposals that:*
 - *is based on the outcomes of the Australian Infrastructure Plan and the evaluation of infrastructure proposals seeking \$100 million or more in Commonwealth funding;*
 - *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.*

IA will develop a regularly updated Infrastructure Priority List.

This priority list will be informed by the other work of IA in particular the Australian Infrastructure Plan and the evaluation of infrastructure proposals and will be published on the IA website.

Establishment of corporate capacity

Statement of Expectations, 1 November 2015

I expect IA to:

- *continue to develop a strong capability to provide robust and independent advice to all levels of government and across all sectors of infrastructure, including social infrastructure (excluding Defence).*

IA will continue to develop its corporate capabilities in 2015-17 to support the new governance and corporate structures. This will include further review and implementation of systems, structures and processes that will enable the organisation to fulfil its duties as an independent statutory body that provides high quality advice on infrastructure matters.

Effective working relationships

Statement of Expectations, 1 November 2015

I expect the Board to:

- *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, the Global Infrastructure Hub, and industry.*

I expect IA to:

- *continue to work closely with the Department of Infrastructure and Regional Development;*
- *work closely with all relevant Departments and to 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.*

Infrastructure Australia (IA) will establish itself as a trusted collaborator and advisor to governments and industry, on the planning, funding and financing, delivery and maintenance of infrastructure through:

- **Establishing productive working relationships; and**
- **Providing policy leadership on key infrastructure challenges.**

Productive working relationships

IA's success will be dependent on effective and influential relationships characterised by high levels of trust and collaboration. To this end IA will establish productive working relationships with all levels of government and industry. This includes engaging closely with government departments, agencies and entities as well as state, territory and local governments, investors in infrastructure, owners of infrastructure and the community – as the end users of infrastructure.

Where relevant, IA will consult and engage with other infrastructure stakeholders including industry and peak bodies, academics, and other organisations.

IA will work with the Department of Infrastructure and Regional Development and other relevant entities within the portfolio to establish strong working relationships including formal and informal pathways for information sharing (where appropriate) to enable the delivery of timely, comprehensive and coordinated advice to Government.

Policy Leadership

Australia's ability to deliver the infrastructure we need, and aspire to, is being severely tested with growing population levels, increasing congestion, budget deficits, and long-term environmental concerns. Continued levels of economic growth are also increasing the demand for infrastructure services.

Given our independence and national perspective, IA is well placed to bring a strategic focus to the key future infrastructure challenges and opportunities, as well as providing leadership in policy reform. We will produce quality research, analysis and advice on key issues including financing, delivering and operating infrastructure and how to better plan and utilise Australia's infrastructure networks, to inform future decision making.

Governance & Performance Arrangements

Statement of Expectations, 1 November 2015

I expect the Board to:

- ensure IA acts in accordance with the *Infrastructure Australia Act 2008 (No. 17, 2008 as amended)*, the *Public Governance, Performance and Accountability Act 2013 (and associated regulations)*, and the *Income Tax Assessment Act 1997*, 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, the Global Infrastructure Hub, and industry;
- continue to develop a strong capability to provide robust and independent advice to all levels of government and across all sectors of infrastructure, including social infrastructure (excluding Defence);
- promote best practice in reforming strategic infrastructure planning (including consideration of whole of life asset management and improved asset utilisation) and project identification amongst key infrastructure stakeholders;
- support the development of policy on funding and financing;
- 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 twice a year.

Governance

The Infrastructure Australia Board was formed in September 2014. Under the *Infrastructure Australia Act 2008*, The 12 person Board is responsible for strategic and governance oversight of the entity to ensure the proper, efficient and effective performance of IA's functions. The Board is the Accountable Authority under the *Public Governance, Performance and Accountability Act 2013*.

The Board has established two committees to assist it in satisfying its corporate governance obligations;

- The Audit, risk and compliance committee – oversees the frameworks and measures relating to finances, risk and corporate compliance requirements.
- The HR and Administration committee - oversees IA's administrative frameworks and governance measures that relate to its employment, procurement and contracting practices.

Accountability and reporting

The Infrastructure Australia (IA) Board oversees the performance of the entity and ensures that accountability obligations to the Australian Government are met. This includes:

- Bi-annual reports to the Ministerial Transport and Infrastructure Council;
- Development of a Corporate Plan on an annual basis;
- Publication of an Annual Report;
- Identification and appropriate management of risk;
- Statutory reporting requirements such as the publication of summaries of project evaluations;
- Any other reporting requirements requested by the shareholder Minister; and
- Resourcing and capability development

IA places a high priority on developing the relevant capability to provide high quality advice to governments and the community on the necessary reforms and capital initiatives to contribute to economic development and sustain quality of life for Australians.

Across 2015-17 IA will focus on building capacity to deliver on our objectives across the following three areas:

- Being outcome-driven: In order to provide high quality advice to Governments IA must utilise appropriate internal and external resources. A focus on outcomes will ensure the appropriate selection of those resources.
- Building productive and trust-based stakeholder engagement: IA will build long term strategic relationships across all levels of government and industry to contribute to and inform IA's work program.
- Fostering a high performance internal culture: IA will attract, engage, enable, develop and retain talented resources in order to fulfil its purpose, this will include appropriate consideration of secondments from within and outside of the public service.

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Infrastructure Australia
GPO Box 5417 Sydney 2001 Australia
T +61 2 8114 1900
F +61 2 8114 1932
E mail@infrastructureaustralia.gov.au
W infrastructureaustralia.gov.au